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THE DOMINION OF CANADA AND THE RECIPROCAL TRADE.

Absorbed as we are in the regulation of our own internal affairs, after the derangements of a great war, it is not surprising that we should overlook the importance of cultivating advantageous relations with our neighbors. It is nevertheless a fact we can ill afford to ignore that on our northern frontier we have a young nationality, rapidly growing in population and rising into commercial importance. Our misfortunes have indirectly advantaged Canada; for while the war has augmented the burthens of our people and diminished the profits of industry, our neighbors have escaped these ill fortunes and thus gained a higher vantage ground in competing with us for the markets and the surplus population of the Old World. The Dominion of Canada now occupies the same position, in respect to foreign trade, we occupied in 1795, while its population is about 600,000 less. Compared with our rapid growth, its increase in population may appear trivial, but its progress, nevertheless, is equal to our own at the same stage of our history. Judging from the progress of the provinces since 1860, it is not to be deemed among the improbabilities of the future that fifty years hence the population of the united provinces may equal that of the United States at the date of our last census. It is estimated by the Canadian authorities that since 1861 the population of all the provinces combined has increased from 3,300,000 to about 4,000,000; and although this increase may not be considered in itself as specially important yet it indicates a ratio of progress which, at no very remote period, is destined to give to our neighbors a commanding national importance. The following statement shows the area of the respective provin-

ces, their populations in 1861 and the estimated population in 1867, as published in the Canadian reports:

AREA AND POPULATION.

	Area sq m.	Population, 1861 Catholic.	Foreign.	Total.	Population est Jan 1, 67.
Ontario (U Can.)	121,260	258,141	484,123	1,396,091	1,802,066
Quebec, (L. Can.)	210,020	943,253	93,641	1,111,566	1,288,880
New Brunswick	27,105	85,238	43,881	252,047	295,084
Nova Scotia	18,660	86,231	31,522	330,867	368,781
Existing Dominion	377,045	1,372,913	653,172	3,090,561	3,754,801
Prince Edward	2,100	35,852	13,257	80,857	91,448
Newfoundland	40,200	57,214	12,414	124,288	130,000
Projected Dominion	419,345	1,465,979	678,843	3,295,706	3,976,244

The commerce of the Dominion is large compared with its population. The combined imports and exports of the former Province of Canada, for the last fiscal year, amounted to $105,000,000; which is equivalent to about $34 per head of population. In 1860 the foreign commerce of the United States averaged $27 per capita. This comparison shows great vigor and prosperity on the part of our neighbors. The standing of the new Dominion in respect to tonnage and foreign commerce is shown by the following statement:

COMMERCE AND TONNAGE; AVERAGE FIVE YEARS, 1861–65.

	Tonnage. Cleared.	Entered.	Commerce. Exports.	Imports.	Shipping owned '65.
Canada	953,124	941,381	$36,081,436	$40,493,535	$230,429
New Brunswick	721,727	674,602	4,786,973	7,166,630	309,695
Nova Scotia	772,017	929,929	6,794,259	10,647,193	363,068
Existing Dominion	2,446,868	2,545,912	47,662,628	58,307,358	903,192
Prince Edward	172,657	151,405	1,228,369	1,433,550	39,549
Newfoundland	132,319	148,834	5,427,331	5,218,416	87,023
Projected Dominion	2,751,844	2,846,151	54,318,328	64,959,324	1,029,764

The tonnage above given for Canada is the seaward tonnage; besides which there cleared from inland ports to the United States on the average of the same five years 3,291,069 tons, and entered at inland ports from the United States 3,144,207 tons. This is exclusive of ferry navigation.

Thus far the Provinces have conducted their finances with commendable economy. Their total debts amount to about $75,000,000; an aggregate, it is true, equal to the whole debt of the United States seven years ago; but yet less than one-fifth the rate per capita of the present Federal and State debts of this country. The total governmental expenditures of the Provinces are, in round numbers, $15,000,000; which, with a population of four millions, amounts to a burthen of $3 75 per head of the population. Our own Federal taxation at present averages $13 95 per capita, to say nothing of our State burthens. As illustrating the finances of the several sections of the Dominion, we present the following statement of receipts, expenditures and debts:

REVENUE, EXPENDITURES, DEBT, ETC., 1865, (EXCLUSIVE OF LOAN ACCOUNT.)

	Receipts. Cust. & excise.	Total.	Expenditures. Interest.	Total.	Public debt.
Canada	$6,963,716	$10,435,259	$3,768,773	$11,534,691	$61,744,651
New Brunswick	775,941	1,070,604	360,596	1,168,074	5,821,445
Nova Scotia	1,047,891	1,517,306	284,338	1,470,306	5,627,458
Existing Dominion	8,787,548	13,023,169	4,413,707	14,173,071	73,193,554
Prince Edward	163,648	217,732	17,876	214,396	161,560
Newfoundland	427,509	482,460	49,744	579,453	1,161,564
Projected Dominion	9,378,705	13,723,361	4,481,327	14,966,920	74,516,673

In reviewing the resources and condition of the Dominion we have purposely kept in view our own relative position in the respective details, because it appears to be thought good national policy to exclude our neighbors to a certain extent, from commercial intercourse with the United States. The physical conditions of Canada correspond very closely with those of the most active and prosperous sections of our own country. Its natural conditions for trading in the products of the forest, the field and the sea also compare favorably with our own; while as respects governmental burthens—a matter bearing very essentially upon the inducements to both labor and capital—it has important advantages over ourselves. Can it then be considered wise statesmanship to shut ourselves out from intercourse with a people thus circumstanced, and drive them as competitors into other markets where we are ourselves sellers? So homogeneous are the interests of the two countries that there has long been a latent feeling among our people in favor of the annexation of the Provinces. One motive of the repeal of the Reciprocity Treaty was an idea that the Canadians might thereby be made to feel their dependance upon our trade, and to infer hence the desirableness of political union. Events, however, have proved that the means we selected were ill-adapted to the end sought. Canada has suffered little, while a heavy penalty has fallen upon some of our own interests. The imposition of a heavy duty upon timber has caused severe injury to our shipbuilding interest, otherwise subjected to embarrassing disabilities; while it has placed a premium on shipbuilding at St. Johns and in the ports of Great Britain. The returns of the former Province of Canada show that during the last fiscal year their imports increased six millions, and that the increase was entirely with Great Britain, while the purchases from the United States were below those of 1865-66; indicating that the diversion of the exports of the Province to other countries is attended with an increase of its purchases from such countries. The exports of the Province show a decline of about five millions upon 1865-66, the prospect of the abrogation of the treaty having induced large purchases by our people to save the subsequent import duties, but they are, at the same time, about fifteen millions in excess of the figures of 1864-5, showing that our neighbors are by no means dependent upon us for a market for their products. It was certainly a most unwise policy which led to the abrogation of the treaty. The fact of our being able, under the agreement, to exchange a much larger amount of products than had proved possible previously, was a sufficient evidence of its advantage to both parties, and no stronger argument for its continuance needed to be advanced, for every exchange implies a mutual profit. Now, however, we are beginning to see the results of our act; and yet, in this year's trade returns we only have a slight indication of what we may expect in the future. The natural course of Canadian trade is to this country: but as we have built a wall around ourselves, and thus obstructed the natural channel, a new one is being forced. The movement at first was hardly perceptible, but is at length beginning to indicate its course; and let it once work out for itself another route, and it will require more than the restoration of the reciprocity treaty to restore it. We have a good illustration of this idea in the course of Western trade, which formerly sought the seaboard by the way of New Orleans. The war shut up the

Mississippi and all trade was forced towards the East. Now, although that river has long been open, the new channel continues to carry off the prize.

But there are already among us palpable symptoms of a desire to negotiate a new treaty. Several interests complain of injury from the repeal, while none profess to be specially benefitted. Probably the question of resuming reciprocal relations with the New Dominion may be introduced into Congress at the coming session; and we trust will result in the re-opening of negotiations for that object.

EXTINGUISHMENT OF THE PUBLIC DEBT.

BY A NEW YORK MERCHANT.

Let Congress, at the next session, authorize the Secretary of the Treasury to call in the National Bank circulation, as fast as it can be done, say within sixty or ninety days, and issue United States legal-tender notes in place of it, the legal-tender notes to be paid for by the banks with coin interest bonds.

The Government to redeem these legal-tender notes, at the rate of five millions of dollars monthly in gold, to be paid to the banks *pro rata* on their circulation, said redemption to commence as soon as the bank circulation is all in, and all other paper money circulation to be prohibited, except the fractional currency.

This redemption to continue for five years, at the end of which time the banks are to resume specie payment, and thereafter to keep on hand one quarter of the circulation in coin.

Upon the resumption of specie payment, the circulation of the legal-tender notes to be apportioned among the banks, and the Secretary of the Treasury to be authorized to increase the amount not exceeding one hundred millions of dollars, whenever two-thirds of the banks in interest, by resolution, shall request him to do so. The increase to be paid for by the banks in coin interest bonds.

The Secretary of the Treasury to loan to the banks, in case of panics, to the extent of thirty or fifty millions of gold, whenever necessary to sustain them, upon Government bonds as security, and at such rates of interest as will induce its return to the Treasury at the earliest practicable moment.

Upon the return to specie payment, United States notes to cease to be legal-tenders.

The three hundred millions of legal tenders to be issued in place of the National Bank circulation, could be apportioned at the time of issue, and the old issue be redeemed. This would save much expense, as it would leave but one hundred millions of the old issue to be changed.

This plan will release the reserve of legal-tenders now held by the banks, and will make the entire circulation in United States legal tender notes about seven hundred millions, and some ninety millions more than at present.

The legal tenders, when redeemed in gold, will be in effect paying the bonds which were taken from the banks in gold, and will definitely settle the question as to how the principal of the coin interest-bonds is to be paid. This being settled, an immediate rise in our securities might be looked for, both in Europe and this country, and for such an active demand from Europe as would, to a large extent, prevent the shipment of gold for some considerable time to meet the trade indebtedness.

The gradual return to specie payment would not seriously affect the values of merchandise, and thereby create distress; but, on the contrary, we might look for an active and increasing trade in all branches of business, and a revival of that confidence which a feasible and definite policy will surely bring.

The banks will find their compensation for the loss of their circulation, and the interest on the bonds, in the sale of the gold, which they can dispose of for the first three years, as they will receive for the legal-tenders, during the five years, three hundred millions; and also in the increase in the value of the balance of the securities now held by them. We shall place our financial affairs upon a sound and firm basis, and give to the people a uniform currency, which will be recognised throughout the United States as being beyond the possibility of ever becoming worthless. That the Government should supply the circulation, is now generally conceded; and it must also be conceded, that there is no more reason why the Government should supply the banks with capital, in the shape of circulation, in order that they may profit, both by the securities held for its redemption and the circulation, upon the plea that the interest of the manufacturer and the trader, and through them, the country is largely benefited, than that capital should be furnished by the Government to the country merchant. Wherever these facilities are needed, there capital will locate, and will afford them at such rates as will be satisfactory to the banker and the accommodated.

Now, let us see whether the Government can pay the interest on the coin interest indebtedness, and redeem the legal-tender notes, as proposed. When all of the Seven-Thirties are converted, as they soon will be, the coin interest indebtedness will be about twenty-one hundred millions. This, by the issue of the three hundred millions of legal-tenders, will be reduced to eighteen hundred millions.

The annual interest will be	$108,000,000
The annual redemption legal-tenders	60,000,000
To be paid annually in coin	$168,000,000
The receipts from customs	150,000,000
Leaving to be provided for	$18,000,000

Which can be taken from the gold reserve now in the Treasury. As the receipts from the customs are rapidly increasing, and the one hundred and fifty millions being considered the lowest point they will be likely to reach under the present tariff, the reserve, in all probability, would not be touched for this purpose.

With the revival of business, and the general confidence restored, the Government will be able to reduce the rate of taxation, and with an eco-

nomical administration of its affairs, a thorough enforcement of the Internal Revenue laws, and with no unnecessary appropriations by Congress, the whole of the currency interest and floating indebtedness could be paid by the time specie payments are to be resumed, and the entire debt, if we have no war, within twenty years.

The resumption of specie payment will be to the consumer equal to a reduction of the tariff of forty per cent., as he will save, in the cost of the goods, the premium it now takes to purchase the gold to pay for them; and as the redemption of the legal tenders will cease at the end of the five years, a further reduction of the tariff could be made.

It may be asked why the banks, with no circulation of their own, should be required to redeem the circulation of the Governmont? Because their location and facilities would make them the best agents the Government could use.

To establish sub-treasuries all over the country, to afford equal facilities, would require a large increase of Government offices and great expense, and would tend to centralise the power in the Government, and give the banks really no right to have any voice in deciding the necessity of an increase in the circulation.

Now, let us see what the prospects are of resuming specie payment under the present banking system. The National Bank circulation being redeemable in legal-tenders, it devolves upon the Government to provide the coin to redeem its circulation. Conceding that no financial system can be sound or safe, unless based upon that, whose value is unchangeable, and which is recognized throughout the civilized world as the true standard of values, we cannot expect to reach that stability and prosperity so essential to the development of our resources, until we have placed our system of finance upon this standard. The question then arises how this object can be accomplished. I can see but two ways. The first is, for the Government to accumulate sufficient gold in the Treasury to justify the redemption of the circulation now out. This must result in a rapid advance in the price of gold, which is needed for duties, and in its attendant evil, inflation, and a sudden and disastrous reaction upon the resumption of specie payment. To save these inflated values, I doubt not a run would be made upon the Treasury, taking the time of the payment of the interest, as the most favorable moment, to such an extent as would deplete it of every dollar in less than a week's time.

The second way is to go on and contract the circulation to such a point as it can be readily and surely met by the gold that can be accumulated without seriously affecting the market. This course must inevitably result in such stringency in the money market, as will necessitate the enforcement of sales of merchandise and securities at any price, in order to realize to meet engagements; all will be sellers, and the importer having no purchasers for his goods, must cease his importations and allow the goods now in bond to remain, and the Government, instead of obtaining gold from its custom duties to redeem its bills, will find it difficult to pay the interest upon its indebtedness. Already the cry is loud and earnest for more circulation, and any further considerable contraction must result in disaster and ruin. Under this state of affairs the burden of taxation will become doubly oppressive, and the people, seeing no prospect of relief, will be driven to *repudiation* as the only remedy left them.

The next question that presents itself is—Is it the present policy of the Government to redeem the legal-tenders in specie at all? Such would not appear to be the intention, if the following extracts from the letter of the Secretary of the Treasury, dated October 7th, 1867, are to be taken as an indication. He states—"The United States notes were issued under the pressure of a great necessity, and are, by authority of Congress, being rapidly withdrawn from circulation. No more can be issued under existing laws, nor can I believe that any considerable number of the members of Congress would favor an additional issue for any purpose whatever, much less for the purpose of paying bonds in violation of the express understanding under which they were negotiated."

"The policy of contracting the circulation of United States notes by Congress, and being steadily pursued by the Secretary, should of itself, even if the honor of the nation were not involved in the question, satisfy holders that Five-Twenty bonds will not be called in and paid before maturity in a depreciated currency."

It is very evident, from the foregoing, that the policy is to retire all the legal-tenders, and leave to the National Banks the entire circulation; and should their present issue be found insufficient, as it will be, to transact the business they will be authorized to increase it, with still further profit to themselves.

What assurance have we that the banks will resume specie payment, when all of the legal-tenders are withdrawn from circulation, other than the general supposition that the matter will regulate itself? It certainly will not be found in the result already exhibited. Some fifty millions have now been withdrawn, and instead of the premium on gold having been correspondingly reduced, it is some ten per cent. higher than it was before the contraction commenced. Under this policy, with the National Bank circulation increased to five hundred millions—the amount considered necessary to transact the business of the country by some of our best financiers—we may abandon all thought of resuming specie payment, and console ourselves with the flattering idea, that because this currency is secured by Government bonds it is "the best the world ever saw."

Shall the receipts of the Internal Revenue be used to retire the legal-tenders, instead of reducing the national interest-bearing indebtedness? Shall the people be borne down with taxation to retire a circulation which the Government alone should furnish? Shall the old banking system be revived, to be periodically followed by distrust and suspension? Or, shall we have a system that will reduce the national indebtedness three hundred millions at once, lighten the burden of taxation, and give us a sound and stable currency, based on gold?—are the momentous questions herewith presented.

This plan will accomplish the following results:

First.—It will cancel three hundred millions of the coin interest indebtedness.

Second.—It will redeem, within the five years, three hundred millions of the legal tender notes in gold.

Third.—It will virtually cancel four hundred millions of the floating indebtedness, by retaining that amount of the United States notes

bearing no interest for perpetual circulation, which are now being retired at the rate of four millions a month.

Fourth.—It will enable the Government to reduce the taxes at least forty-eight millions annually, that amount being now taken from the internal revenue receipts, to retire the legal tenders. As this sum is considerably more than is now received from the tax on incomes, that, the most objectionable feature of our tax system, could be dispensed with.

Fifth.—It will enable Government to cancel one hundred millions more of the coin interest indebtedness, should the four hundred millions prove insufficient for the business of the country, as probably it will.

Sixth.—It will enable the Government, through its agents, the Banks, to resume specie payment at the end of the five years, as stated.

Seventh.—It will violate no obligation of the Government, and will open the avenues of trade throughout the whole country, by the confidence it will give to all.

By what other plan can the national indebtedness be reduced seven hundred millions, and the taxes forty-eight millions, annually; or such favorable and important results be produced?

OUR DEBTS AND RESOURCES.

On former occasions we have remarked upon our largely increased taxation, with the purpose of enforcing upon our legislators the necessity for the strictest economy in all appropriations for Federal, State and municipal governments. A long and costly war with the indefinite issue of paper money has engendered a spirit of extravagance which must be checked. Statements of our present burdens tend to this end; they convey a forcible, practical lesson which is much needed at this time. And yet, notwithstanding the usefulness of such statements, incorrect inferences are sometimes drawn from them. Because we are in debt some jump to the conclusion that we are bankrupt. We notice for instance the tables we prepared and published sometime since, showing the rates of taxation in our leading cities, recently copied by a correspondent of the London *Times*, who called them official, and based arguments upon them to show our inability to pay our debts. It is hardly necessary to say that such conclusions find no justification in the facts stated. We admit that we are in debt, and, compared with anti-war times, very heavily in debt, and we insist that there is great need for economy; we claim too that our tax machinery is very unphilosophical and cumbersome; and yet our ability and disposition to pay all just obligations are beyond question. The experience of the last two years in raising revenue, and consolidating and reducing our Federal debt, bring out in strong light the resources and capabilities of the country. It was a question in the minds of Europeans in 1864 whether a democratic people would submit to be taxed; no one doubts

it now. It was argued then that our burden was more than we could bear, and yet we have paid all our expenses, and reduced our aggregate debt from 2,874 millions in the fall of 1865, to 2,491 millions as given in the last statement. It was claimed that though we might work through our long debt, our short obligations would surely try us; but, on the contrary, since 1865 the temporary loans and debt certificates have disappeared from the schedule altogether, the greenback currency has been curtailed from 433 millions to 357 millions, and the Seven-Thirties from 830 millions to 334 millions, as also appears in the last monthly statement. When we remember that this is the history of the period immediately succeeding a long war, and among a people unused to taxation, and with no experience in raising large revenues, all will admit that we hardly deserve to be called bankrupt.

Nor are our city and State taxes more than we can very easily, and if they are necessary, very willingly bear. All that our people wish to be convinced of is that they are not being plundered, and that their public servants are economizing their resources. The latter, they insist, shall be done and the former avoided if possible. A moment's reflection as to the aggregate taxable property in New York State shows that with honesty and economy in the future there is no ground for fear. We cannot, however, agree with a recent writer on our State finances, who attempts to show that a debt is not a debt, and the inference from whose remarks is that we pay no taxes. In a former article, before referred to, we gave tables proving very decidedly that taxation among us is no myth but a veritable reality. And yet the resources of the State, both in the actual aggregate of taxable capital, and in the productive industry of the population, are fully ample to sustain the burden. The assessors have but to do their duty thoroughly, to obey the laws of the State just as they read, in regard to making assessments and an amount of taxable property would be found that would surprise everybody. The assessed valuation of such property is 1866 amounted to $1,639,432,651. Nobody can doubt that the real value is three times that sum. A moment's examination of the State census of 1865 will make our assertion more clear and difficult of contraverting.

The total number of dwellings enumerated is 594,045, the value of which was estimated at $977,121,378; besides 66,114 to which no value was computed. If their value is reckoned in the same ratio, the sum total would be about $1,080,000,000. It is quite unnecessary to remark that the dwellings enumerated could not be purchased at a fair sale for an amount equivalent to the entire assessed valuation of the State. The same census report gives us the value of farms in the State at $920,349,331; of live stock $127,072,554; of tools and implements $21,181,099¼—a total of $1,068,602,984¼. It would not be far out of the way to declare that the property included in this category is also equivalent in value to the entire assessmentof the State. The census also embraces returns from 24,527 manufacturing establishments, with a capital of $227,674,187, and an aggregate value of product amounting to $463,609,877. There are no data relating to the capital employed in commerce. Household furniture almost

wholly escapes assessment, yet its aggregate value must be fully two-thirds of the value of dwellings. In 1863 there were insured in the insurance companies doing business in this State, personal property to the value of $1,471,000,000, which nobody needs to be informed was but a fraction of the entire amount. The aggregate of these few items is as follows:

Value of dwellings	$1,080,000,000
Farms, &c.	1,068 602,984
Manufactories	227,674,187
Insured personal property less amount actually assessed..	1,138,000,000
Total	$3,514,277,171

It will be seen from these imperfect statistics that the probable value of property in the State of New York cannot be short of $6,000,-000,000, and estimating the net profit at 6 per cent., we should have as the annual net income of the State 360 millions—a fair estimate of the resulting profits after deducting all direct taxes. The gross income it is of course very difficult to indicate; but these figures show clearly enough that the production of the State is able to sustain a heavy volume of taxation.

Now, if we enquire as to the annual burden upon this property, we shall find that the State of New York is charged with a direct tax for expenses of Government, maintenance of schools, interest, etc., of about twelve millions of dollars, and that the local taxes probably amount to fifty millions more. It is proper, however, to remark that a considerable portion of this local taxation is for the purpose of defraying the principal of the indebtedness, and therefore cannot be regarded as permanent. In a short time the aggregate will be less. As to the internal revenue and customs duties—of the former the amount paid by each inhabitant of the United States in 1866 was $8 80, and of the latter $5 15, or a total per capita of $13 95. According to the census of last year the population of this State was 3,831,777, and hence the total payments of the State to the United States government during that year was about 43 millions. Of course there is a larger amount than this credited to the State, but as the most of these payments ultimately come out of the consumer, the only correct mode of estimating the actual contribution is on the basis of population. The aggregate, therefore, of taxes, direct and indirect, paid by the people of New York in 1866 was about as follows:

State and school taxes	$12,000,000
City, county and town taxes	50,000,000
Internal revenue and customs duties	53,000,000
Total taxes, direct and indirect, paid	$115,000,000

This it will be seen would be equivalent to about two per cent. of the valuation above given. It is hardly necessary to add anything further to show the ability of the State to meet its obligations promptly and easily.

MANUFACTURES, TARIFFS AND TAXATION.

Time fails to bring relief to our manufacturing industries. The depression which, for a time, was confined to one or two branches is now becoming general, aud some anxiety is felt as to the result of the ordeal through which manufacturers are passing. We have repeatedly urged the importance of a limitation of production as the best means of bringing down the prices of labor and raw materials, and thereby enabling producers to meet the demand for goods at lower rates; but manufacturers appear to have regulated their production by the capacity of their works rather than by the capability of consumers; and the result has been that the supply of goods has been so far in advance of the demand as to place the determination of prices in the hands of buyers, causing upon many descriptions of goods very heavy losses. The current high prices of agricultural products, and the comparatively low prices of manufactures, suggests the conclusion that the war has left us with an undue proportion of the capital and labor of the country employed in manufactures, and an inadequate proportion engaged in the culture of the soil. Breadstuffs and animal food are essential to subsistence; and, though scarce and dear, they have had to be bought in about the usual quantity; but under such circumstances a large portion of the community are compelled to forego the supplying of other wants which contribute rather to comfort, luxury or adornment. This condition of things ought to have had its due weight with manufacturers, inducing them to produce with a moderation corresponding to the ability of consumers. They had, however, profited largely through a special demand for war purposes, and, without making due allowance for the cessation of this special consumption, have regarded the past consumption as the measure for the present.

This condition of things manufacturers have thought could be remedied by the adoption of a tariff largely excluding foreign manufactures from our markets. Repeatedly, the tariff has been changed to suit these views; but, in the face of duties intended to be prohibitory, the imports have largely increased and the value of domestic manufactures has steadily fallen. Yet notwithstanding the demonstrated futility of this expedient for keeping up the prices of goods, the manufacturers appear to have the same confidence in it as ever; for it is again proposed to apply to Congress for an increase of the duties on imports. At a recent meeting of the Manufacturers' Association of Detroit, the following resolution was adopted, and measures were taken for securing the co-operation of other kindred societies in holding a national convention of manufacturers at Cleveland, in December next:

Resolved, That the tariff on importations of foreign manufactures should be revised so as to well protect home industry against the unequal competition of the cheap capital and cheaper labor of foreign countries.

It is much to be regretted that it should be in contemplation to make any further demand of this character. With nothing to show in the way of beneficial results from repeated acts of protective legislation within the last five years, it is somewhat bold to ask Congress to repeat this fruit-

less experimenting again. Changes in tariffs are always embarrassing to business; and, in the present deranged condition of trade generally, some care should be taken not to add unnecessarily to the prevailing embarrassments. While the utmost possible consideration should be shown for such an important branch of our national interests, it must be remembered that measures cannot be adopted which must be detrimental to all others. Consumers generally and the non-protected interests have the same right to be protected against high prices as the manufacturers have to ask protection against foreign producers. Already, the duties on imports are very high; and there is no saying to what extent this may be carried if this periodical pressure upon Congress is to be in every case yielded to. Should an increase of customs duties again be awarded and the change prove as unavailing as other additions to the tariff within the last five years, what reason is there for supposing that Congress would not be asked to grant a still further increase of duties? We think, it is a fair representation of public sentiment on this question to affirm that the people have become tired of these perpetual petitions for relief and desire that the manufacturers should be left to feel that in future they must depend more upon their own prudent management and less upon Congressional aid. The result of a further increase of the tariff would be to encourage an increased production, tending to keep up high wages, and to prevent a due decline in raw materials, the radical error in management which has contributed very largely to the present depression of this interest.

There is, however, a relief which it is within the province of Congress to afford, and which may be granted upon the soundest principles and with advantage to the community at large. The taxes upon domestic manufactures are a serious burthen to our industries, and ought to be substituted by other and less embarrassing imposts. The duties amount to a heavy percentage upon the cost of the goods; and, by the charging of profit upon the consequent increased price, by each dealer through whose hands they may pass, involve a material increase of cost to the consumer. On some products, made from materials already taxed, the duty is exceedingly oppressive; and in not a few instances the assessing of the duties is accompanied with much inconvenience to the manufacturer, arising from disputes and delays; while, in all cases, the increase in the price of the goods tends to limit their consumption. There are large classes of goods which are consumed chiefly by the poorer classes, who have no choice but to reduce their purchases in proportion to the enhanced cost. In the production of some articles foreign materials have to be employed subject to a heavy import duty; and in such cases the taxation is duplicated, rendering it the more difficult for the manufacturer to compete with like foreign products. The duties on manufactures when first imposed, were only adopted as a ready measure for meeting the pressing exigencies of the war. They were defended upon the ground of necessity; but what was done upon reasons of temporary expediency has been allowed to pass without repeal, and can now be abrogated only by strong pressure. The country would support the manufacturers in an effort to secure the removal of this class of imposts, for the very practical reason that the result would be to cheapen goods, an argument just as important to the manufacturer as to the public

at large. On the contrary, no sympathy can be expected from the people in an attempt to gain a further advance in the tariff, for the reason that the professed object of such a measure is to enhance prices. A movement for the removal of the internal duties on manufactures has this great recommendation, that it coincides with the reactionary tendency of affairs toward lower prices, and that by cheapening products it so far facilitates that reduction in wages which is at present the great desideratum of our industries.

ON THE TARIFF AND THE PRINCIPLE OF TAXATION.

BY CHARLES H. CARROLL.

There is an argument against a tariff on imports that appears to have escaped the notice of thinkers and writers on public economy. It is that, regardless of the tariff or taxes of any sort, general prices conform to the volume of currency: so much currency makes or measures so much aggregate price for all the property and service seeking to be exchanged. Hence if one commodity employs, by reason of a tariff, more of the currency than it would employ without the tariff, some other commodity of equivalent natural value must employ so much the less, and yield in price accordingly; the low price of the unprotected article underpaying, as much as the high price of the protected article overpays, its producer in relation to its natural value.

Thus suppose the normal value, as determined by cost and supply and demand, *free of taxation*, be the same for 1,000,000 bushels of corn and 1,000,000 yards of cloth, the price being $1 per bushel for corn and $1 per yard for the cloth, and the Government then imposes an import duty of 25 per cent. on cloth. The effect will be to raise the price of the whole 1,000,000 yards of cloth, embracing both the foreign and domestic article, to $1 25 per yard. Therefore, of the aggregate measure of $2,000,000 for both commodities, the cloth presents a demand for $1,250,000, and employs so much of the currency, leaving but $750,000 for the corn, so that the corn falls to 75 cents per bushel, and the farmer as compared with the manufacturer is one fourth underpaid.

For the sake of simplicity I waive all consideration of the profit on the cloth duty to the jobber and retailer, which is so much additional tax paid by the consumer. By the "protection," whatever it amount to, the farmer is wronged, and doubly wronged; once in the abstraction of currency that should go to the price of his product, and again in the abnormal price that, as a consumer, he must pay for the cloth.

This distribution of the currency is an unavoidable result of the law of value in relation to money; for whatever may be the character or amount of the currency it can make only the same exchanges as a like sum of money, and it must, as the common instrument of exchange, follow the same channel of local circulation that would be occupied by a like volume of money—*i. e.*, gold and silver.

The money of the world distributes itself among the nations according to the desirableness which constitutes the value of their respective pro-

ductions as objects of exchange, with no regard whatever to local taxation. It is attracted by low prices and repelled by high prices; anything tending to high prices drives it away.

A nation or a community cannot therefore increase its money by increasing its taxes or its expenses; it can do this only by increasing its capital, of which money forms a part, and it cannot *permanently* maintain a volume of mixed currency greater than its capital naturally demands of pure money for its instrument of circulation. Since, therefore, provision cannot be made for an increase of a nation's taxes by an increase of its money, or currency, the only way in which the currency can be provided to pay the additional price of an article unequally taxed is to take it from the price of some other article, and thus rob Peter to pay Paul. Were money capable of increase by tariff, or other taxation, industry and enterprise would lose their significance, and the accumulation of national wealth would be a mere matter of legislation, an idea that carries its refutation along with it.

It may not be possible to know the precise equivalents that are disturbed in their relations by a tariff, or by any other unequal tax. Of course there are many more bushels of corn than yards of cloth circulated and consumed in this country, and any reasonable estimate of the relative value of the corn and cloth that change hands in commerce is perhaps impossible. If 10,000,000 bushels of corn are equivalent in exchange value to 1,000,000 yards of cloth, then corn would lose but 2½ cents per bushel of its normal price by a tariff of 25 cents per yard on cloth. All that I propose to show by the foregoing example is that equivalents in circulating capital are perturbed, and thrown out of their natural and mutually advantageous relations, precisely to the extent that the tax upon them is unequal, *ad valorem*. To that extent the abnormal is cherished and rewarded at the cost of the normal produce—to that extent a tax levied to favor the production of an article that would not be produced without it must be paid out of the proceeds of some other article not so favored, the production of which is natural to the soil and industry of the country.

The amount of duties on imports gives no sort of indication of the pressure of a protective tariff on the industry and earnings of the unprotected classes. The whole of the annual imports does not probably exceed one-twentieth part of the money value of the annual productions of the United States, leaving out of view the immaterial value or services that leave no enduring product capable of being exchanged, which are, equally with the material values, subjects of indirect taxation through duties on imports for the benefit of the privileged classes. Thus the pay of the clergyman, the teacher, the lawyer, the physician, the actor, &c., is so much the less by reason of the abstraction of currency to provide extra pay for the producer of that which could be imported for less than the cost of the home product. Hence the burden of taxation on imports is by no means confined to the consumers of the imports taxed, and of the special commodities protected. Were it possible for a consumer to avoid the use of every article the price of which is augmented by the tariff, he could not escape the insidious tax levied upon his industry by the abstraction of currency from his use to force a production against the natural law of value.

There are then two separate burdens imposed on consumers by a tariff on imports—first, the price added to both the taxed and the protected commodities, the latter being many times greater than the former, which sum is paid affirmatively by the consumers of the products immediately affected thereby; and second, the sum of currency abstracted from the normal remuneration of all other industries but those protected by the tariff, which sum is paid negatively but not less certainly by the unprotected classes.

There can be no objection to low and natural general prices, because, with a normal currency, they must be the consequence of activity of production, an increase of wealth, and abundance of capital in relation to currency—in other words, a high value of money, which increases the exports of merchandise: but there is an insurmountable objection to low and unnatural special prices, made so by abstracting currency from the use of one producer to give it to another through legislation, for this is but a form of robbery.

It is my opinion that the noticeable general disinclination to agricultural labor in this country is largely owing to the fact that it is the great unprotected branch of industry here. It is underpaid that other industries may be overpaid. Notwithstanding the co-operation of natural forces, working for nothing here with greater power than anywhere else on the globe, the farmer finds relatively small pay for hard work, and men are enticed away from this invigorating and naturally profitable employment, to seek ventures in crowded cities, and unwholesome work in manufacturing towns, to which the intermeddling of Government gives an unnatural incentive and reward at the cost of agriculture. The result is the production of commodities that could be produced cheaper in money value, and with more public advantage in the spread of population, in the more extensive cultivation of the soil, the greater vigor, the better health, and the more general intelligence and happiness of the people, by a normal application of their industry, on the land and on the water, through the exchanges of an unshackled commerce.

It is no argument against this to say that the nation thrives. However it may check its thriving the task would be difficult for Government to prevent it. Such are the vast resources of the country in cheap and rich lands and inexhaustible mines—as the London *Economist* says, "the best things on the earth and under the earth"—accessible by many thousand miles of free navigation of rivers and lakes, a varie climate, favoring the production of almost everything that agriculture can furnish desirable to man, with ship timber, naval stores, forests of exportable lumber for house-building, numerous and secure harbors on an extended ocean coast; in short, all the most beneficent powers and capabilities of nature attracting immigration and co-operating with a high degree of intelligence, industry, and enterprise, among the laboring classes, what but madness on the part of the Government can prevent the advance of the nation in material prosperity? Yet nature triumphs over an adverse legislation at a vast and needless cost to individuals of wealth and peace of mind. Nowhere else under the sun is bankruptcy in trade so general, success in life so various and uncertain, and anxiety in families, and unhappiness in society on the whole, so great. We prosper in spite of the Government, which

is only tolerable so far as it maintains order and justice; this is its only legitimate function. When it attempts didactic legislation—when it attempts to teach the people what branches of honest industry they shall or shall not pursue, it is positive and insupportable evil.

The foregoing considerations lead, of course, to the conclusion that all taxes should be direct and level, *ad valorem.* They should be levied on all property alike, and on all income alike, with the exception of a certain necessary standard of living, which Government should be careful not to impair, since the ambition of the industrious classes depends largely upon it. Their enterprise and application to labor is affected by it to a degree that has a wide influence on the material and moral welfare of the nation. The higher that standard is fixed by custom and public opinion the fewer persons will be satisfied with a low and grovelling existence, and the greater is, necessarily, the public prosperity.

As self government is the ultimate aim of political science, any other is but a necessary evil to be endured only while and to the extent that the moral and intellectual forces of society are too weak to control the dangerous, and protect the suffering classes without the aid of public authority. Teaching is better than legislating for the public good. No good man needs an exciseman or a constable to tell him what to buy, or sell, or eat, or drink, or wear, or how to perform his part in life, and the hand of authority is badly employed when it tends to depress the ambition or check the honest industry of any one.

The theory which looks to Government as a teacher or a director is, to my apprehension, altogether a mistake; Government is formed, or ought to be, not to teach the people but to be taught by them; its authority is limited by their average intelligence and sense of justice, and when it attempts to extend its power beyond this limit, as, for instance, in the support of the institution of slavery in this country, it is sure to be resisted until the iniquity is destroyed. The tariff system of taxation, which stands at the mouths of our harbors to drive away our customers and cripple the commerce and industry of the country, is another of these iniquities that the intelligence and true democracy of the nation have marked for speedy destruction.

Levy and level the taxes *ad valorem* and they will not affect prices in the slightest degree; both the domestic and international exchanges will be made at prices the same precisely as if there were no taxes at all. This is obvious from the proposition with which we started, the correctness of which no thinker will dispute, that general prices conform to the volume of currency and its relation to circulating capital. Double the currency, or reduce the circulating capital one-half; either will depreciate the value of money or currency one-half in a rise of 100 per cent. of general prices. Reduce the currency one-half, or double the circulating capital; either will appreciate the value of money or currency 100 per cent. in a fall of 50 per cent. of general prices.

People do not consider as they should—and legislators are culpably neglectful of the economical fact—that *payment* is made in *value*, not in *price.* Suppose a farmer to have 100 bushels of wheat on which he is taxed one per cent., then one bushel goes to pay the Government, and ninety-nine to satisfy other demands. But suppose the tax to be five per

cent., then five bushels go to satisfy the Government, and ninety-five to other demands. It requires no more money or currency to make the one distribution than the other. There are but 100 bushels of the wheat to command currency or value in exchange; there is but so much capital as is contained in this quantity of wheat, only so much *value* to make payment so to be employed or consumed in peace or war, and it is pure folly to suppose that its efficacy or value can be increased by multiplying dollars and increasing its price. The same is obviously true of every item of capital and of the capital of the country altogether.

Had this simple economical fact been comprehended by Government at the commencement of the rebellion, that capital and not currency—value and not price—makes payment, the folly of increasing the currency would have been avoided, and what a wonderful difference it would have made in the amount of taxation and of the national debt, as well as in the condition of the commerce of the country!

Value, it should be understood, is that power in exchange which commands the necessaries, conveniences, and luxuries of life, while *price* commands nothing but currency, which may be money, or bank or Government debt, or overvalued tokens, the value of which is what it will fetch; and the laborer with three dollars of price will have no more or better payment for his day of service, when the currency is expanded threefold by debt, than with one dollar of money at its natural value, because the three dollars are by the expansion depreciated to the value of one dollar. In fact, under this supposition, two of these dollars are fiction; they never had any value, and can impart none; they make price without value. What the dollar buys is the laborer's payment or remuneration, not what the dollar is, or rather what it is not by reason of a trick of banking or of an issue or a legal tender act of Government.

As to the apology of war for the present high tariff and other unequal taxation, however honestly presented or accepted, it is very absurd as a scientific fact. The argument just presented shows that inequality of taxation is as unnecessary for war as for peace. The capital of the nation supplies the consumption of the nation, and all that is necessary for the support of Government, in war or peace, is an equal distribution of its cost among the people according to their means of payment. An astonishing delusion prevails upon this subject, especially with reference to the necessity of a public debt, and also as to the effect of war on the material prosperity of a country. Its moral and immediately personal effects we are not now considering. Its atrocities, and bereavements, and mutilations, and physical suffering, are shocking enough. No knowledge of science is needed to comprehend the moral evils of war and deprecate its horrors, but scientific knowledge is necessary to comprehend that a just war, equitably maintained, is not necessarily unprofitable, in a material sense, to the nation at large.

No capital but our own paid for the war of the rebellion; none was borrowed from abroad at the time, and none was needed; for we had ample capital to have maintained two such wars, *without a public debt*, and in continual prosperity as much as in peace, and we have no less capital now. Every dime of the cost of the war was paid for out of the national capital at once, as fast as the capital was delivered to the Govern-

ment for the purpose; and the energies of consumption it developed stimulated in like degree the vast energies of production in which, with special reference to the commodities most needed in war, no nation on the globe is more powerful than the United States.

So long as the capital of each producer is promptly replaced, that is to say, his present capital, which includes of course his invested capital and profits, the more consumption of his products, and the quicker the better, because the greater will be the employment of industry and the opportunities of saving, and the greater the national wealth. People argue on this subject as if capital were not consumed in peace. How long is it profitable to the producer of a finished article, or to the commerce of the country, to keep it unsold or unconsumed? Clearly until a buyer is ready to replace the capital it contains, and not a moment longer. It is only at the seat of war, where the means of reproduction are destroyed, that war, in the material or financial point of view, is necessarily unprofitable. Napoleon was careful to remove this from France—to fight on other soil than his own; so far he was a good political economist, and France never prospered more in wealth and population than during his wars against all the rest of Europe. Mankind people up to the means of maintenance, especially to the supply of food, and where these are steadily increasing population increases in like proportion, whether in war or peace.

No doubt the revolted States lost capital by the rebellion, since they used up and suffered the loss to a great extent of their means of reproduction; but the vast productive powers of the West and North were so stimulated at the same time that they have been enriched more than the South has been impoverished, and the national wealth, reckoning the negroes, before and since, as they always were, labor and not capital, is to my apprehension no less to-day, in the aggregate, than it would have been without the war.

I have not space in this article to discuss more fully the point of the relation of war to public wealth, and I offer these remarks upon it merely to give the reader assurance that a tariff or unequal taxation was not necessary for the conduct of the war that is just closed. I have acted with the Republican party in support of the fundamental Democratic principle of human freedom, but with a continual protest against their financial policy; and I maintain that the present abnormal condition of the national finances is owing not necessarily to the war, but to an unequal and unjust distribution of its burdens, and to an unpardonable ignorance of the nature of money and of the fundamental principles of economical science.

Instead of taxing the rich and the bank stockholders for their share of the cost of the war, Government has borrowed capital of the former, and granted to the latter the privilege of kiting, against public and private debt, a currency consisting of bank notes and book credits, miscalled "deposits," on which the people are obliged, from the necessity of the case, to lend their capital for nothing and pay interest on it besides, not for the benefit of the Government or of themselves, but for the benefit of the currency makers. These two classes, therefore, instead of being, like the rest of the people, payers of taxes, are made receivers of taxes, and the burden of supporting the war and a needless public debt has been thrown upon the poorer and the hard-working classes, who are the least able to

bear it. Of course this cripples their means of consumption, and, as they are the great consumers, their forced abstinence reacts upon production, crippling that and necessarily the general trade of the country. As a nation we are in the absurd and paradoxical position of having paid for the war to the last dime out of our own capital and at the same time we are owing for a great portion of it to certain of our own citizens, because we have neglected to collect from them their share of its cost. Such is the preposterous nature of the funding system.

RAILROAD EARNINGS FOR OCTOBER.

The gross earnings of the under-mentioned railroads for the month of October, 1866 and 1867, comparatively, and the difference (increase or decrease) between the two periods, are exhibited in the following statement:

Railroads.	1866.	1867.	Increase.	Decr'se.
Atlantic and Great Western	$541,491	$477,528	$....	$63,965
Chicago and Alton	360,323	430,108	69,785	....
Chicago and Great Eastern	126,996	143,605	16,609	....
Chicago and Northwestern	1,200,216	1,508,883	308,667	....
Chicago, Rock Island and Pacific	422,123	558,200	136,077	....
Erie	1,476,244	1,498,716	22,472	....
Illinois Central	661,971	761,499	99,528	....
Marietta and Cincinnati	113,504	142,823	29,319	....
Michigan Central	493,649	506,295	12,646	....
Michigan Southern	496,655	539,435	42,780	....
Milwaukee and Prarie du Chien Milwaukee and St. Paul Iowa and Minnesota Division	833,735	1,101,600	267,865	....
Ohio and Mississippi	310,762	379,367	68,605	....
Pittsburg, Fort Wayne and Chicago	757,441	765,568	8,059	....
Toledo, Wabash and Western	436,065	406,766	....	29,299
Western Union	100,303	119,667	19,364	....
Total in October	$8,331,478	$9,346,057	$1,019,446	$.....
Total in September	7,178,435	8,448,865	1,270,430	.....
Total in August	6,619,650	6,973,228	353,578	.....
Total in July	5,967,856	5,754,795	......	213,061
Total in June	6,706,446	5,815,741	......	890,705
Total in May	6,402,287	5,907,650	......	494,637
Total in April	5,473,127	5,812,738	339,611	....
Total in March	5,593,523	5,639,601	46,078	....
Total in February	4,664,525	4,798,978	134,453	....
Total in January	5,378,441	5,413,437	34,996	....
January—October, 10 months	$62,315,768	$63,875,900	$1,560,132	$......
" " average	6,231,576	6,387,590	156,013	......

By reason of the refusal of the St. Paul Company to furnish us the October earnings of their several lines separately, we have been compelled to give the earnings of the Wisconsin lines (usually reported by us in our monthly summary) and those of the line in Iowa and Minnesota (135 miles) as a whole. This somewhat deranges our tables, as the October mileage is so much larger than the mileage of the previous months of the year, and cannot be compared with those months in gross. The discrepancy, however, disappears in the subjoined table which shows the miles of railroad operated and the gross earnings per mile for the cor-

responding month of the two years 1866 and 1867, as deduced from the figures of the preceding statement:

Railroads.	Miles 1866.	Miles 1867.	Earnings 1866.	Earnings 1867.	Differ'e Incr.	Differ'e Dec.
Atlantic & Great Western.	507	507	$1,068	$942	...	$126
Chicago and Alton	280	280	1,287	1,536	249	...
Chicago and Great Eastern	224	224	567	641	74	...
Chicago and Northwestern	1,032	1,145	1,163	1,327	164	...
Chicago, Rock Island & Pacific	410	410	1,029	1,361	332	...
Erie	798	775	1,850	1,934	84	...
Illinois Central	708	708	935	1,075	140	...
Marietta and Cincinnati	251	251	452	569	117	...
Michigan Central	285	285	1,732	1,777	45	...
Michigan Southern	524	524	948	1,029	81	...
Milwaukee & Prairie du Chien, 235						
Milwaukee and St. Paul, 370	740	740	1,127	1,335	208	...
Iowa & Minnesota Division, 135						
Ohio and Mississippi	340	340	914	1,116	202	...
Pittsburg, Ft. Wayne and Chicago	468	468	1,618	1,635	17	...
Toledo, Wabash and Western	521	521	837	781	...	56
Western Union	177	177	567	676	109	...
Total in October	7,265	7,355	$1,147	$1,270	$123	$...
Total in September			1,007	1,170	63	...
Total in August			928	966	38	...
Total in July			837	797	...	40
Total in June			941	805	...	136
Total in May	7,130	7,220	898	818	...	80
Total in April			768	805	37	...
Total in March			785	781	...	4
Total in Februry			654	664	10	...
Total in January			754	749	...	5
January-October: 10 months	7,144	7,234	$8,723	$8,830	$107	..
" " average			872:30	883:00	10:70	...

From these deductions it is very apparent that the increase shown in August and September has been continued on an enlarged scale in October. As compared with the earnings of the corresponding months of 1866, those of 1867 were in excess—in August $38 per mile, or 4.09 per cent.; in September $63 per mile, or 6.25 per cent., and in October $123 per mile, or 10.72 per cent. The highest (October) of the year, and the lowest (February) compare together, and with the monthly average as follows:

	Earni'gs p. mile. 1866.	Earni'gs p. mile. 1867.	Inc. in 1867. Absolute.	Inc. in 1867. Per ct.
October	$1,147	$1.270	$123	10.72
February	654	664	10	1.57
Average	872	883	11	1.23
October, above February	493	606	113	22.92
" average	275	487	211	77.09

These figures certainly show that October, 1867, has been an extraordinarily prosperous month; indeed, the most prosperous as yet in the annals of American railroading. As indicating the commercial movement it assures us that the country generally is in a high state of activity, although in some branches of industry there may be a lack of vitality. The movement of the grain crops has, no doubt, contributed most largely to the sum total earned; but there is also a westward movement which will probably grow heavier as the season advances, and the grain excitement subsides, the Western consumers of merchandise having made sufficient money from the sale of their produce to warrant a liberal expenditure in the seaboard cities and manufacturing districts.

THE GOLD MOVEMENT SINCE 1860.

To a country, with a depreciated paper currency, and desirous of an early return to a specie basis, it is a matter of no small consequence to ascertain what is its supply of the precious metals. A *priori*, it might be considered highly probable that during the last six years we should have parted with a considerable portion of our accumulation of gold. Our production of commodities was materially curtailed by the war; and the consequent advance in prices (beyond what was due to currency derangements) naturally opened our market to the products of foreign countries. We were deprived of the principal staple by which we have been wont to pay for our imports, and had not the usual supply of breadstuffs for exportation. With such a radical derangement in our foreign commerce, it would seem very natural to conclude that we should have to draw largely upon our accumulation of specie for liquidating the excess of imports over exports. A very general impression exists among our people that such has been the actual course of affairs, that we have thus lost a large amount of specie since 1860, and that consequently we have not at present an adequate basis for the resumption of specie payments, and cannot have until, by some legislative expedient, the efflux of specie from the country is checked.

The principal movements of the precious metals in the country are indicated in recorded returns, with sufficient precision to enable us to form a reliable estimate of the correctness of this opinion. The imports and exports of coin and bullion are officially recorded. The product in California, Arizona, Idaho and Oregon is represented by the registered receipts at San Francisco by Wells, Fargo & Co.; but to the recorded arrivals by that medium it is customary to add 10 per cent. to the receipts from the interior and 30 per cent. to the coastwise receipts for amounts brought personally by miners; and in giving below the product received at San Francisco we make that addition. Of the product in the new mining regions of Colorado and Montana there is no actual record. The yield in those districts is sent direct to the Atlantic; and during the last two years a considerable portion of the yield of Idaho also has taken this route. It is difficult to estimate the amount of treasure coming overland from these regions. During the last three years the product of Colorado and Montana has been quite important. The amount of gold from those territories, deposited at the mint and its branches, last year was $6,523,000; and yet it is known that of the whole product less than one half finds its way to the mint. It is estimated by those most familiar with the treasure movement of these regions that the annual product is about $15,000,000. Deeming this estimate somewhat sanguine, it may yet be very safely estimated that the receipts from Colorado, Montana and other mining districts at other points than San Francisco, since 1860, aggregate fully $50,000,000, and this we adopt as an estimate safe beyond all dispute.

With these explanations we subjoin a statement of the domestic production, the imports and the exports for each of the last seven years;

the home yield being for the calendar year, ending December 31st, and the imports and ex-ports for the fiscal year ending June 30th:

IMPORTS.

1861	$46,300,000
1862	16,400,000
1863	9,500,000
1864	13,100,000
1865	7,200,000
1866	10,[illegible]00,000
1867	22,200,000
Total imports, 7 years	$125,000,000

DOMESTIC PRODUCTION—PRODUCT RECEIVED AT SAN FRANCISCO.

1861	$48,100,000
1862	54,800,000
1863	58,2[illegible]0,000
1864	61,800,000
1865	62,0[illegible]6,000
1866	57,000,000
1867 (partly estimated)	60,000,000
Total receipts at San Francisco	$402,600,000
Estimated total receipts at other points, 7 years	50,000,000
Total domestic production, 7 years	$452,600,000

EXPORTS.

1861	$28,100,000
1862	36,800,000
1863	64,100,000
1864	69,300,000
1865	54,800,000
1866	86,000,000
1867	55,100,000
Total exports, 7 years	$3[illegible]3,700,000

RECAPITULATION.

Imports for seven years	$125,000,000
Domestic production for seven years	452,600,000
Total supply for seven years	$577,600,000
Exports for seven years	393,700,000
Gain in supply for seven years	$183,900,000

It thus appears that, within the last seven years, our supply of gold has exceeded our importations by $184,000,000. We must acknowledge considerable surprise at this result, but can conceive of noway in which its substantial accuracy can be impugned. There are considerations which justify the expectation that the precious metals would have accumulated during the period under review. Our gross exportation of coin and bullion, during the last seven years, has been almost exactly the same as for the preceding seven years; the shipments being for the respective periods $393,700,000 and $395,500,000; but we have received from foreign countries, during the seven years since 1860, $125,000,000, while during the preceding seven years we imported only $62,500,000. It thus appears that, since 1860, our net exports have been $64,300,000 below the amount for the like number of years next

previous. Concurrently with this decline in the ratio of our net exports, we have had an increase in the domestic production. As the record of receipts at San Francisco was not kept with much precision previous to 1860, we cannot compare the movement since that year with that of the preceding seven years with strict accuracy. From a comparison of estimates, we take it to be quite safe to conclude that the receipts at that point for the last seven years average fully $5,000,000 per annum in excess of those for the seven years ending with 1860. The overland receipts at the Atlantic ports from the new gold fields, which we have estimated at $50,000 000 for the seven years, also form an important item in accounting for the large increase of supply. Putting together these several items—the decrease in net exports, the enlarged receipts at San Francisco, and the product of the new mines arriving at other points—we are enabled, from these considerations alone, to account for $150,000,000 of the $184,000,000 gain above exhibited.

The taxation upon the assays of bullion afford an important criterion of the current production of the precious metals in the country. It is to be assumed that in this, as in other departments of taxation, a portion of the duty (upon private assays) fails of being reported to the revenue officers; so that the official returns cannot be taken as representing fully the production. It appears, however, from the last Report on the Finances, p. 266, that, for the fiscal year 1866, $488,337 of tax was collected upon assays of $81,389,541 of bullion. Allowing for a certain amount assayed without paying the tax, it is scarcely supposable that the product of that year was less than $85,000,000, which is $9,000,000 in excess of the net exports of the year (a year of much the largest specie shipments in the history of the country), and $47,000,000 in excess of the average net exports for the last seven years. This fact shows that we are producing the precious metals at a rate vastly in excess of our exportation, and taken together, with other considerations previously adduced, confirms the credibility of the result to which the above statistics have led us.

These facts show that so far from the supply of gold having been lessened during the war, it has been largely increased. It cannot, therefore, be urged against the resumption of specie payments that we have not an adequate metallic basis. Precisely where, or in what condition, this large amount of the precious metals is held it is not pertinent to our present purpose to enquire. The proof is incontestable that it is in the country; and it is reasonable to suppose that upon gold being again brought into regular use, a considerable portion of this increased stock would find its way into circulation, so as to supply the monetary wants of the country.

OUR RAILROAD SYSTEM.*

BY THE HON. JOSIAH QUINCY, OF BOSTON.

The most superficial observer cannot fail to be struck with the extent of our railroads, with the excellence of much of their engineering, and with the vast motive power they are able to employ. Tunnels have been bored through mountains, viaducts carried over valleys, and the treacherous swamp has become firm set earth beneath the iron highway. With a double track any line of railway offers an almost unlimited capacity for the transportation of passengers and freight. No amount of traffic could well be offered, no concourse of passengers could well assemble, that a properly managed railroad could not accommodate. Why, then, are the trains comparatively empty and infrequent? The trader wishes to give his personal attention to the selection of his goods. The mechanic and laborer wish to go where labor is abundant and to return as soon as it is dull. The New Englander would like to go West and see what it is that feeds him, and send home from full granaries the supply for his family or town. The citizen of the West would like to go to New England and see who it is that clothes him, and, leaving his orders, receive many bales of clothing adapted to his market. The citizen of South Carolina would like to come to the North and learn how little animosity of feeling has survived the war. The enterprising young man in New York, fighting his way up from poverty, wanted to visit the South, to cultivate friendly relations and cultivate the chances of profitable trade. Intimate intercourse and easy mingling of the different sections of the nation is the true means for a permanent and sound reconstruction of the Union. The price of bread on the sea-board, the value of land in the West, the payment of our indebtedness to foreign nations in our own products, all call upon our railroads for reduced freights and reduced passage. To effect this, great arteries of trade and traffic must be controlled by the people for the people.

A paralyzing monopoly is exemplified in our present railway system' and it is a monopoly that no increase in the number of raillways can affect. Patentees and authors haʌe a mild form of monopoly for a limited time. For a few years they are enabled to charge a high price for their inventions or books. Observe how these monopolies differ from a railway monopoly. Their time is limited and their sphere of operation contracted. In a few years the most important invention can be used by the public without any restriction, and until that time comes, if the price is too high, no one is compelled to use it. But how different is the case with railroads? The public must use them and pay the monopolists' price, not for a limited time, but for ever, if our present system is permitted to be permanent. For the State has authorized the directors of a railroad to conduct its business as may best conduce to their own ease and the interest of the shareholders. And so these directors may say to the public, "You have no complaint to make. You may travel about the country

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in any other way you please. If you choose to try it, you had better take food for yourself and forage for your animal, and conveniences for camping out, for our railroads have destroyed all wayside inns and annihilated all rival lines of stages. Or, if you have a few superfluous millions, and can get a new charter through the Legislature, you may put down a new track by our side, when we will either buy you out or agree upon a common tariff and let the people pay tribute to two railroads instead of one!"

Seeing then how completely we are in the power of railway managers, it is interesting to learn the actual cost of the transportation we are compelled to accept. At what cost per mile can a ton of freight be carried on a railway?

There is a prevalent opinion that the charges must be proportioned to the cost of construction—that when the cost is heavy the charges must be proportionably great. Now the English railways on which the greatest amount of capital per mile has been expended are precisely those on which the fares are lowest. The Charing Cross Railway, for instance, cost a million and a half sterling, or seven million five hundred thousand dollars in gold per mile; and yet passengers are carried at a lower rate than on some railways that were constructed at a hundredth part of that cost. The error arises from confounding the cost of the machinery by which the passengers are conveyed with the cost of the conveyance itself—when the fares exceed the actual expense incurred in conveyance, it becomes a mere question of numbers as to what fares best pay.

A pound of coke under a locomotive boiler will evaporate five pints of water; in this evaporation a mechanical force is developed sufficient to draw two tons' weight on a railway a distance of one mile in two minutes! The same weight in a stage-coach on a common road would require four horses, and occupy six minutes. Dr. Lardner says: "To transport a train with 240 passengers from London to Birmingham and back, 200 miles each way, in three hours and a half, is effected by a mechanical force produced by the combustion of five tons of coke, the value of about £5. To carry the same number by stage-coaches would require twenty coaches and 380 horses, and would be performed in twelve hours. The anomaly is, that while the cost is reduced to less than one-twentieth, the fares have, on an average, not been reduced one-half."

In pursuing this inquiry, I regret to be compelled to rely so much on English authorities. But the managers of our American railroads seem to object to our getting at statistics. The president of a principal one confessed before a legislative committee that they only divided their expenses in their report to the Legislature, which was made up arbitrarily, as best they could. But in England their returns are more exact.

The following estimates of the English Board of Trade are made upon the principle that the ordinary current expenses of the establishment are paid, the railway kept in state of efficient repair by the substitution of new rails and sleepers for old ones, and all other work of a similar kind which may be necessary, such as keeping the rolling stock, engines, wagons, carriages, and tracks in order, replacing them by new ones when necessary. All this outlay is comprised in working expenses.

The average expenditure per train per mile, taking all the railways in the United Kingdom, has, according to the reports of the Board of Trade

for the year 1863, been 2s. 7d. (62 cents). The different items which go to form the whole are from the data furnished by the companies and reproduced by the Board of Trade.

It is to be observed that this average expenditure per train per mile includes goods, coal, and other mineral trains, conveying two or three hundred tons each, as well as passengers.

AVERAGE COST OF CONVEYING A TRAIN A MILE.

	s.	d.	cts.
Maintenance of Way and Works	0	5¼	11
Locomotive Power	0	9	18
Repairs and Renewal of Carriages and Wagons	0	2½	5
General Traffic Charges	0	9	18
Rates and Taxes 1¼d., Government Duty 1d	0	2¼	5
Compensation for Personal Injury and Loss of Goods	0	0¼	1
Legal and Parliamentary Expenses	0	0¼	1
Miscellaneous Working Expenses not included in the above	0	2	4
	2	7 or	63

The first three items, amounting to 1s. 4¾d., or 33c., are direct. They are the actual expenses incurred in the conveyance of each train. The others, amounting to 1s. 2½d., or 29c., embrace the general expenditure of the establishments, which must be paid, whether the trains run or not.

Again, a contest took place between the London and Northwestern and the Great Northern Compauies. The fares for passengers were, for the first class, each one hundred miles one shilling (24 cents) and ninepence (18 cents), or less than a farthing (half a cent) a mile; and for second class, in carriages, comfortably cushioned, one shilling and two pence, or a penny for seven miles. These trains carried on an average six hundred passengers; two hundred first and four hundred second class, the fares for the double trip amounting in all to one hundred and seventy-five pounds. The cost per train per mile was two shillings and seven pence, taking the double distance of four hundred miles. The whole expense of the train, both the direct expense and the proportionate expense of the management, comes to fifty guineas, and the receipts, as we have seen, to one hundred and seventy-four pounds, leaving a profit of nearly two hundred and fifty per cent. on the conveyance of passengers by each train. The loss was calculated to be one-half per cent. on their dividends.

A similar contest took place between the Southeastern Railroad and the Great Western for the London and Reading traffic, which lasted about a year and a half. Passengers were carried, per hundred miles, first class at the rate of two shillings and three pence (54 cents), second class one shilling and six pence (35 cents).

In this case the chairman stated that the Company lost nothing by the change in fares; they paid the same dividends, and were well satisfied to go on. Yet these roads were charging on one part of their lines ten times as much as on the other parts, and on those parts where they were carrying lowest their profits amounted to about 250 per cent. in the cost of conveyance of each train.

The Edinburgh and Glasgow and the Caledonian Companies, in consequence of a dispute, reduced their fares to about one-eighth of the ordinary charges, from 8, 6, and 4 shillings to 1s., 9d., and 6d.

The Edinburgh paid one per cent. per annum less to their shareholders; and the loss to the Caledonian was calculated at something less than one-half per cent. on theirs. These fares were by all trains. The charge per hundred miles was, first class 2s. 3d. (54 cents), second 1s. 9d. (42 cents), third 1s. 2d. (28 cents).

If we put into a tabular form the original fares, the reduced fares and the loss of profits incurred by the reduction of the dividends will show thus:

ORIGINAL FARES, RETURN TICKETS.

	$ c.	$ c.	$ c.	Miles.
London and Northwestern	14 40	9 60	—	380
Great Northern	14 40	9 60	—	410
Southeastern	2 40	1 80	—	134
Edinburgh and Glasgow	1 92	1 44	96	46
Caledonian	1 92	1 44	96	55

REDUCED FARES, RETURN TICKETS.

	$ c.	$ c.	$ c.	Loss in Div.	Per cent. per ann.
London and Northwestern	1 80	1 20	—	2 40	½
Great Northern	1 80	1 20	—	2 40	½
Southeastern	72	48	—	—	—
Edinburgh and Glasgow	24	18	12	4 80	1
Caledonian	24	18	12	2 40	½

We have now before us the results, in a financial point of view, of very high, moderate, low, and extremely low, prices; and we find that it makes comparatively but very little difference in the annual dividends, not exceeding in any case one per cent., whether they charge one farthing a mile for first-class passengers, or fourteen farthings—the two extremes; and the others are in the same proportion. It however happens, that although the difference in profit is not great, fourteen farthings would invariably pay better than one; and as the companies have no legal obligation to consider anything but their own interest, and, as it would increase the labor of their manager, they would adopt the fourteen if they have no other choice. The monopolist, having no fear of competition, has only to consider what rate pays him best, and adopt that rate accordingly.

Thus far for passengers. When used only for freight the results are equally striking.

Mr. Galt says: "What could be more interesting to the public than to hear the chairman of the Northwestern Railroad inform his shareholders that the cost of coal at the pit's mouth was 8s., and the carriage to London being so much a ton, they could deliver it at such a price, which would leave a good profit. Now, the chairman never give these details, but seem totally unable to comprehend any question put for the purpose of eliciting such information. There are secrets in every trade, and railway directors naturally wish to keep all information from the public that might raise a popular outcry against them. What is patent is the enormous loss the nation sustains, so long as the present system continues."

"We have, however," he adds, "one case, and one case only, on record, in which the chairman of a railway company entered fully into the matter, giving the most minute details of expenditure; thereby showing the actual

cost of conveyance of coal, per ton, to the metropolis, and incidentally to any other place. An outcry was made by the shareholders of the Eastern Counties Railway against their chairman for carrying coal at rates that did not pay. In answer to the charges he gave the following minute detail of expenditure signed by the traffic manager:

Mr. Gooch's report: "This traffic is worked in full trains. Each train contains not less thirty wagons, at $6\frac{1}{2}$ tons each, 190 tons net load; for which the sum paid by the contractor is 8s. 7d. per mile, or about a halfpenny per ton. The cost to the company is as follows:

1st. Locomotive power	9.68d.
2d. Guards	50
3d. Green lamps and oil	1.00
4th. Permanent way	1.00
5th. Management and office expenses	1 00
Total cost per mile per train of working expenses	13.18

But as these trains return empty, only earning money in one direction, this account must be doubled; and would give a total sum two shillings two pence farthing, or 53 cents, to earn 8s. 7d., or showing a profit of nearly 300 per cent. As the contractors found the wagons, which might be calculated at $3\frac{3}{4}$d. a mile, the entire expenditure would be brought up to 2s. 6d., or 60 cents, for the double journey. The cost, therefore, for conveying each ton of coal is 1s. 4d., or 32 cents, for a hundred miles."

I cannot conclude without a further quotation from Mr. Galt, who says:

"The policy hitherto acted upon by railway directors, and, considering them as traders, not an unfair one, has been to keep the public in complete ignorance of the internal working of our railway system, so far as regards the extremely low rate at which passengers and goods can be conveyed on railways." But an ingenious chairman might say: "The fact is that we and all other companies can carry passengers at exceeding low rates. A first-class passenger we can carry four miles for a farthing (one half of a cent), a second-class six miles for a farthing, and a third-class ten miles for a farthing, and all beyond that, with fairly loaded trains, is profit. When the public come to know that a passenger can be conveyed one hundred miles for two pence halfpenny (or five cents), for which he is charged eight shillings and four pence (or two dollars), and that a ton of coal can be brought from the north of England for about a shilling (24 cents), the cost being there six or seven shillings, and the price in London four or five times that sum, it requires no prophet to fortell that the days of railway monopoly, in private hands, will in this country (England) soon be numbered." But however great may be the benefits accruing to the people from the low fare system, they are unattainable under the present mode of management. The presidents of these roads would not be justified in trying experiments, or in sacrificing one per cent. on the dividends of their shareholders."

There is one point to which I would call particular attention. The amount annually paid for freight far exceeds that paid for passage. The latter is paid by the thousands who travel, the former by the millions who

stay at home. Complaints are often made of the exhorbitance of the former, very seldom of the latter. The one is a direct tax levied on the travelling, the latter an indirect tax levied on the whole community. The merchant makes no complaint, for the consumer pays it. The consumer makes no complaint, for he is not aware how much of the price he pays goes to transportation. He does not know that with the full freights the railway might command, prices could in many cases be reduced one-half. He does not realize that the monopolist has no reason for increasing the amount of freight, as the high price he receives makes it a matter of small account to him whether the load is heavy or light. Let us take an example. Coal at the pit's mouth in Pennsylvania is worth about a dollar and a half a ton. Let us take the English price of thirty-two cents a ton for a hundred miles, and a third for depreciated currency, making about forty-three cents a ton.

The distance to Philadelphia is about three hundred miles; a citizen buys ten tons and pays cost and freightage, which, together, amounts to about $2 79 a ton or $27 90 for the lot. While he is congratulating himself on the reduction, a railroad employee enters and says the market price of the coal is eight dollars; we have been obliged to send in the first bill at cost, and now present one for the profits, which amount to five dollars and twenty-one cents a ton. Fifty-two dollars and ten cents for the difference! If the profits should be stated in this way, even a Philadelphia Quaker would be justified in saying, "Verily, friend, thy profit is exorbitant."

Now I have no complaint to make of shareholders in our railroads. In many cases it is known that they receive a moderate interest on their investment. But it is not patent how enormous is the loss sustained by the nation while the present system continues. Let us take the case of coal in England. Mr. Galt says: "We can buy it at the pit's mouth, and transport it to the metropolis for seven or eight shillings per ton; but as a general rule we pay four times that price in London. The price the poor pay for the small quantity they are able to purchase at a time during a severe winter, the extent to which they are cheated, and the sufferings they in consequence endure, are matters every one is well acquainted with. Monopoly charges them three or four hundred per cent. in ordinary times, and in extraordinary as much as it can lay on." Let the people make the calculation—take the English cost of 32 cents a ton a hundred miles and add what you please for America—and see if they do not find that the companies are authorized to, and do charge that sum many times over, and that the public have not the slightest power or control in regulating these charges.

Let us take again the tariff charged by expressmen for parcels and packages. What a blessing it would be to hundreds of families in the city and the country if they could procure, at a moderate charge, the produce from various parts. The Post-office carries small parcels by the railway in many cases for less by one-fourth than they can be carried by the express on the same train. I can send by the Post-office, to any part of the United States, a package weighing four pounds, and have it delivered with my letters at a charge far below the express tariff. In the one case it is done by a *State monopoly* which is under strict control and directed only

for the public good. In the other it is done by a *private monopoly* guided by private interest and charging whatever it pleases. At the present rates the charges for small parcels of little value are prohibitory. Distance make but little difference in cost, as the expense of collecting and delivering is the same whether the article is conveyed twenty or two hundred miles, and if a ton of goods can be conveyed two hundred miles for thirty-two cents the cost of transporting small articles is hardly appreciable.

The papers are full of the glories of consolidated lines with $150,000,000 of capital—and of the great convenience of expresses and sleeping palaces, and red, white and blue cars. Now, if common report is to be believed, these are owned by private individuals or companies, who in some cases secure favorable contracts by giving managers of roads stock gratuitously or at a low price, who thus share with them the immense profits they make out of the community, and prevent any outsiders from competing with them. If this is not the case the public should be disabused.

Mr. Galt thus sums up the whole matter:

"The very low cost of the conveyance of passengers and merchandise on railways is proved by calculations founded on the traffic returns from the Board of trade and the companies. It is shown that a passenger, taking an average of the three classes, can be conveyed a hundred miles when an engine is fully loaded, as in excursion trains, for four pence (eight cents), that charge not only covering every direct expense, but also a fair per centage added for the general expenditure of the establishment. A ton of merchandise can be conveyed a hundred miles for a little more than a shilling (twenty-four cents. The tariff for the different kinds of merchandise as at present charged is given, whereby it is seen that the general charge in many cases is more than twenty times what it costs the companies."

But notwithstanding all this there is no cause of complaint, except against the system which is permittted to continue. The directors hold these highways as a trust, to be exercised not for the benefit of the general community, but solely for the profit of the general stockholders, to whom the railways are supposed exclusively to belong, and by whom these directors are paid for their services. Their object is to obtain the greatest profit for the shareholders, with the least trouble to themselves, without any more regard to the interests of the public than is necessary for effecting that object.

Perhaps no more striking case can be adduced to this fact than that of the Western Railroad in Massachusetts. This road was one of the first in the world that was carried over great elevations. It was built by the contributions of patriotic citizens with the assistance of the State. The object was to bring freight and passengers from the West by way of Albany and Springfield to the capital of Massachusetts. The road was supposed to be extremely successful. Shareholders who received ten per cent. on their investment, and editors who rode free and shared the hospitalities of the officers, were loud in their praises of its management. But an application for a purchase by the State led to an investigation, when it was found that for twenty years there had not been added one car to accommodate the freight business between Boston and Albany, and that the through tonnage of the Western Railroad to Boston was a trifle

greater in 1847 than in 1865, although the tonnage arriving at Albany by rail had increased 149 per cent. It was found that produce from the West was sent by other routes, hundreds of miles out of the way, and much of what came to Albany was sent down the Hudson to New York by boat, from New York to New Haven or Hartford, and by railroad from those cities to Springfield, 200 miles out of the way, with two or three additional handlings. Now, when it was found that the President of the Western Railroad was interested in some or all of these modes of conveyance, some persons felt indignant, but they had no just cause. It was the system, not any man, who was in fault. The course of the directors of this road may not have been patriotic or philanthropic, but it was entirely lawful. The road between Springfield and Worcester could learn all that was required by the shareholder. The State directors made no complaints, and the law gave the people no rights which a railway director was bound to respect.

How, then, can such abuses be remedied? It is evident that the interest of the railways, as at present managed, is to do a small business at a large price, and that the interest of the public in cheap food and cheap transportation requires that a large businesss should be done at a smaller one. These great thoroughfares are arteries of trade, and should never be entrusted to private monopolists or speculators. They should be managed by those who are directly responsible to the people, and who have an interest in facilitating business rather than earning dividends.

There is but one way of effecting this object—the purchase of the great thoroughfares by the State or the nation. If I were called upon to propose a plan, it would be that the State or the United States should purchase the great trunk railroads, furnish the locomotive power, and lay down a third or, if necessary, a fourth track, exclusively for freight. This should be carried at a regular and comparatively slow rate of speed, and the road be open to free competition for all persons, companies or corporations who might desire to put passenger, freight or mail trains thereon being subject to such regulations and liable to such tolls as Congress or the State Legislature might establish.

If these railroads should be purchased by the government, either of State or nation, the shareholders might be induced to giving up property from which a fluctuating dividend was received and take in exchange a fixed annuity for an equal or a less amount. Those in favor of the bills now before Congress find some objections. They say that millions of the stock upon which dividends are paid, and the public are taxed, should never have been issued, that they are in the cant phrase merely "water." That the roads can now be constructed at a far less expense, and that the public should not be called upon to pay for that which should never have had an existence—that is, for shares on which a cent has never been paid by the shareholders. If these shares were held now by those to whom they were originally given, there would be force in the argument, but as many are the property of those who had nothing to do with pouring in the water, they should not be prejudiced by another's action.

There is one consideration that renders the right of the State to take these roads on payment of a fair equivalent eminently just. Railroad corporations are different from any others. The State entrusts to the cor-

poration the highest privilege she possesses, that of "eminent domain." She permits these officers to take from the citizen, without his consent, any bond they please, and only give him the privilege of obtaining what a jury consider the land would be worth in the market, with no respect to his interests or associations, or to the injury it may do to his other property. This power is entrusted solely for the public good, and when the public interest demands it the State should again exercise their right of eminent domain, and take, on the payment of a just sum, for the public good what they previously granted for that good, and not for the profit of private speculators.

In many charters, as originally granted, any person could put his carriages on the road by paying tolls to the company. The great expense of locomotives and want of depot grounds rendered this a dead letter. A different policy would reverse it.

I am well aware that the managers of railroads throughout the country will look upon the proposition to make so great a reduction of fares with distrust. They may say "that it is a preposterous plan, utterly unsupported by facts, resting entirely on assumption," the very language that was used by Col. Maberly, the Secretary of the General Post Office, when Rowland Hill proposed to reduce the postage to a uniform rate—from sixpence (12c.) to a penny (2c.) We all know the triumphant success that has attended the measure, both as a financial advantage and a national blessing. It was not many years before the number of letters in England increased from seventy-five to seven hundred millions per annum, and a greater revenue than under the old tariff.

Citizens accustomed to the old monopoly will say, your prices will never pay the cost of running and keeping the road and rolling-stock in repair and provide also a million for the payment of the State's interest. My answer is, that the experience in England shows that the freight and passengers are trebled by such a reduction, and treble the through, with a moderate addition on the prices of way business, will raise the amount. But it is not essential that it should pay at once; ultimately it will do so. The States are not entering into a speculation for profit. Whatever they lose, the people will gain ten times over, in the increase of the value of their property, and in the decrease of the price of all the necessaries of life.

Sir Robert Peel, in 1841, said in effect to Parliament, "Give me a direct payment of five millions per annum, and I will reduce the taxation on tea, coffee, sugar, and all the necessaries of life to the amount of twenty." He redeemed his pledge. He reduced the revenue derived from those sources that amount, and the increased consumption arising from the reduction of price made up three-fourths of the loss to the revenue, and the income tax paid the rest. A statesman like Sir Robert Peel would say to our legislators, "Purchase these roads, put a direct tax on the State, put the freights from the West at a price that will only cover the cost of repairs and transportation, and you will return to the people annually millions in the reduction of the prices of corn, flour, wheat, pork, beef, wool, cotton, cheese, butter, coal, iron, and in short, of every production of your country, to the universal relief of the poorer and commercial classes. You will double the taxable property of your capi-

tal, and of every town and city on the line of railroad, or connected with it. You will enable the poor man to travel, not alone, but with his wife and children, and you will connect the different sections of the country indissolubly with one another."

To this purchase I anticipate three objections. First, It involves the necessity of a new debt either for the State or the nation. But a debt based on property of such great and increasing value would command the money at a rate that would enable the government to reduce the fares and freights at once from one-third to one-half, and provide a sinking fund for the repayment of the outlay. What financier would hesitate to run in debt for a property that would thus pay both principal and interest, and ensure immense and incalculable benefits to his family. The people are the family of the republic.

A second objection is that railways cannot be as well managed by the representatives of the people as by those chosen by private shareholders. If by this is meant that they cannot be as well managed for the purpose of giving large dividends to stockholders to make the fortunes of managers, I allow it. But if railroads are made for the people, and not the people for railroads, I deny it. The Western railroad of Massachusetts was admirably managed. By what it did between Springfield and Worcester, it gave ten per cent. to the shareholders, and by what it did not do, between Albany and Springfield, it gave princely fortunes to its managers. But in the meantime, the people of New England paid millions of dollars more for the transportation of Western produce than they would have done under the system that I recommend. The best management for the public is that which does the business for the lowest price. Besides this, the directors are, by my system, relieved from furnishing and loading and unloading of cars, and confined to the care of the road bed and the furnishing of power.

But the great objection made to the possession of these roads by the State or nation is, that their management will get into politics. To which it may be replied, that it is already in politics, and in a most disastrous way. The real question is, Can republican institutions and the present powerful monopolies exist together? It is notorious that large sums are spent in bribing and influencing legislatures to allow these corporations to assess yet heavier taxes on the people. They have too much of the law on their side, and their wealth enables them to retain all the best ability of the bar. A gentleman of Pennsylvania, one of the first financiers in the land, had a controversy with one of these corporations in another State. He told me he went from one end of it to the other, and could find no lawyer of any weight or distinction who was not retained against him. And if I can believe statements confidently made to me, this monopoly of legal talent exists to-day in Massachusetts. There is no fault to be found with gentlemen of the legal profession. It is their interest and duty to aid with their counsel and influence those who are able to retain them. But we must object to the existence of a power that can appropriate all the talent and learning of a profession, and deprive the people of the natural protectors of their rights in any controversy to which encroachments may provoke them. No person whose attention has not been directed to the subject can have any idea of the influence and power these monopolies exert. They control the press to a perilous extent. There are,

no doubt, honorable exceptions, but you will generally find the columns of influential journals too full to admit any criticism on the doings of railway managers. I have heard of cases when such communications have been refused when the writers offered to pay for them as advertisements. Merchants often come to me with complaints, but they almost invariably charge me not to mention their names. Why? "I do business on the road, and it will never do for me to get the ill will of the managers," or "I have need of bank accommodation, and a knowledge that I ever said anything against corporations in which they were interested might prejudice me with Directors," In short, I have come to the conclusion that the people must undertake this reform for themselves. They will have small assistance from so-called leaders who are troubled with political aspirations or financial necessities. But in the hands of the people, as soon as the necessary information can be diffused among them, this great movement is safe. The management of railways will yet be vested in the State, and every citizen will be an outspoken and interested detective to see that the duty is well performed.

Railroad Legislation—C. F. Adams, Jr.—The article on "Railroad Legislation" which appeared in the November issue of the magazine was from the pen of Charles Francis Adams, Jr., of Boston.

MR. McCULLOCH'S ANNUAL REPORT.

The balance sheet of the nation for the last fiscal year has just been laid before Congress in the usual reports, according to law, and we have now before us, in a compendious, authentic shape, for the information of Congress and the people, a record of the doings of the Federal Treasury, with the receipts and disbursements of its several bureaus during the most interesting period of our financial history as a nation. Because of its prominent interest we give up a large part of our space to Mr. McCulloch's very elaborate report, which, with the accompanying documents, is unusually voluminous, although from some cause it does not seem to have commanded quite so much attention as his former efforts. Among the momentous matters on which just now the public will seek information in these volumes, the first in point of importance is the public debt, whose burden and pressure were made heavier last year by a large increase of our gold-bearing bonds and by the payment of the accumulated interest of nearly 20 per cent. on the compound notes, which have recently matured. From this and other causes, which we omit for the present, the interest disbursements for the whole fiscal year, were $143,781,591. Next year they will be larger still. In 1866 the interest amounted only to $96,894,260; in 1865, to $77,397,712; in 1864, to $53,685,421, and in 1863, to $24,[illegible]29,846.

It is certainly fortunate that we have been able to reduce the principal of our debt while the pressure of the interest was smaller, for hereafter we shall be less successful in that respect than some of our financial pro-

phets have been promising us. As to the reduction which has been reported since 1865 we should remember that part of it is rather nominal than real. For in that year we had the army to pay off and other vast disbursements to make. So we over-borrowed or anticipated the revenue of the year, and, as the British and French governments often do, we repaid the over-borrowed money as fast as we collected our taxes. Besides this, the interest on the compound notes for 1865 and 1866 was not paid at all during those years, because it did not accrue until the maturing of the notes, some of which have now eight or nine months to run. Still, with all these explanations and deductions, the progress we have made in keeping down and consolidating the public debt is very satisfactory. During the latest months of the war few of us anticipated that the aggregate would fall below 3,000 millions, and very good judges estimated it at 3,500 millions, or more. Nor, considering the gigantic dimensions of our five years' war for the Union, did that amount seem extravagant. Yet, as Mr. McCulloch tells us, the debt never exceeded 2,758 millions, and we have brought down this nominal aggregate to about 2,490 millions, which is probably as low a point as, for the present, we should aim at. Our great task is set so far as the debt is concerned for the current year. It is this: to get rid of all the troublesome mass of short date Treasury obligations, and convert them into long bonds. The most mischievous part of this short paper has been already called in and cancelled. The temporary loans, the certificates of indebtedness, and other interest-bearing demand obligations have been paid off, and such embarrassing loans will never, we presume, be negotiated again. They were useful as an expedient of war finance, but with returning peace their usefulness vanished, and they became a source of weakness, a treacherous nuisance, and a snare. The Seven-Thirty notes now aggregate no more than 338 millions, out of 830 millions originally issued; and the compound notes are all paid off, except about 70 millions, which will mature at intervals from now to November next.

The small compass into which the short obligations are shrinking, reminds us of the near approach of the time when our gold-bearing debt will have touched its highest point. In view of that contingency, Mr. McCulloch puts forth a proposition to offer to the public a six per cent. loan in which to consolidate all existing indebtedness of the Government. In its present shape the plan is made needlessly repulsive and impracticable by being coupled with a curious project for paying to the States 20 millions a year from the National Treasury as taxes. We refer our readers to Mr. McCulloch's own argument about this unprecedented method of making the Treasury at Washington tributary to the several treasuries of the individual States. At present we need not discuss it further than to suggest, whether, if there be a need to pay the States any commutation for their being forbidden to tax the national securities, the better way would not be to vote the proper amounts annually out of th revenue. It is one of the least of the evils of this scheme, that it woul open a new door for the admission of peculation and fraud into the departments at Washington. If Mr. McCulloch's new five-six-twenties could be negotiated at all he must submit to unfavorable terms; and in distributing the one per cent. tax in proportion to the population he

would impose an unjust burden on the citizens of the few States where the bonds are chiefly held; for he would compel these persons to pay a part of the taxes of other States where the bond-holders are relatively few.

The proper plan, no doubt, is to consolidate the debt into a long 5 per cent. loan; as we have often repeated, an absolute long loan is preferable to a conditional one. It might run for not less than 30, nor more than 50 years, and should be subject to the existing sinking fund laws. The London *Times* lately accounted for the high rates of interest we are paying on our debt by the statement that the vast aggregate of it consisted of terminable annuities, which would expire in 20 or 40 years. The 8 per cent. we pay on our long bonds was represented as being in part a repayment of a yearly instalment of the principal. This extraordinary mistake on the part of the leading London journal may perhaps contain a valuable suggestion. At any rate it is worth our while to consider whether a part, at least, of our foreign debt might not be converted into terminable annuities on a satisfactory basis. The present stagnation of the money market of Europe, and the indisposition to invest in ordinary securities, which is especially complained of in England, originates chiefly with the class of persons to whom a terminable annuity would be attractive. We offer the suggestion not as final, but as worthy of discussion and examination. We are not sure that it would be practicable; but if so, it would no doubt be a very judicious step for us to take a large part of the 350 millions, or 400 millions, of United States bonds which are held abroad and convert them into terminable annuities; while the rest, together with our bonds held at home, should be consolidated into absolute long bonds, bearing a low rate of interest. The mischievous propositions which have been made to pay off the debt in greenbacks will perhaps do all the service they are capable of conferring on the National credit, if they lead us to settle upon and to establish some comprehensive method of consolidating our debt on a firm unimpeachable foundation.

The question of consolidating the debt is only second in importance to that of contracting the currency. As we hinted a fortnight ago, the Committee of Ways and Means have introduced a bill revoking the contracting power given to the Secretary of the Treasury by the act of April, 1866. From the best information we can obtain, the inference seems inevitable that this Act will pass the House, but it will certainly meet a formidable opposition in the Senate. Still it does not follow that the discretion withdrawn from the Secretary, greatly to the relief of that overburdened officer, will not be vested elsewhere; or that contraction, if temporarily stopped, will not be renewed when it shall seem safe, needful, and for the good of the country. The plan has been more than once suggested in our columns of appointing a Committee to manage the Currency whose proceedings shall be public, and whose powers shall be clearly ascertained and laid down by the law. As to the necessity of contraction, with a view to the appreciation of our redundant currency it is almost universally admitted, and the chief arguments for it are well put in Mr. McCulloch's report. What is wanted, however, seems to be not to prove that contraction is necessary but to show how it can be done, how the transition from the small paper dollar to the large gold dollar

as a unit of value, and a measure of prices, can be made so gently and imperceptibly as to create scarcely a ripple on the surface of the financial currents. Two methods are proposed for meeting this difficulty. One is Mr. Broomall's, which we briefly described last week; the other is to supply the place of cancelled greenbacks by legal tender notes which should bear interest so as gradually to lose their functions as currency. Perhaps both these plans are capable of being carried on together, each supplementing the deficiencies of the other. However this may be, we regret that Mr. McCulloch did not refer in his report to the comparative value of different methods of contraction.

There are several other questions on which information will be eagerly sought in the Treasury report. During the last two or three years we have, beyond all doubt, caused our currency to appreciate in value, so far as a vigorous contraction of its volume could contribute to that result. To prove this we have only to look at the figures. On the 1st November, 1865, the currency afloat amounted to $925,757,080, which was distributed as follows:—Greenbacks and fractional currency, $454,218,038; National and State bank notes, $270,000,000; interest-bearing notes, $205,549,042. A year later, in November, 1866, the aggregate currency was $885,295,935, of which the greenbacks were $417,683,695, the bank notes $320,000,000, and the interest-bearing notes $148,572,140. After the lapse of another year, on 1st November, 1867, the currency had fallen to $657,726,411, which was as follows:—Greenbacks and fractional currency, $387,871,277; National and State bank notes, $297,980,094; interest-bearing notes, $71,875,040.

These changes are very suggestive. They show that during the fiscal year 1865–6, the volume of the currency was depleted by 44 millions, while during the past year the contraction reached the aggregate of 128 millions. How, it is asked, could so violent a contraction be tolerable with so little of injury to business or disturbance of financial confidence? Why has the price of gold so stubbornly resisted while the downward pressure of prices was everywhere else universal? In what degree is the comparative ease of the money market during the rapid shrinkage of the currency to be ascribed to the fact that the chief part of the contraction has been done by means of interest bearing notes according to the method described above? Any man will do good service to the country who shall solve these problems, and shall show us how far they are explicable by rapid changes in the volume of business since the close of the war; by the cessation of the vast movements of greenbacks into and out of the Treasury; by the use of a large amount of currency in the South; by the changes which have taken place in the demand for currency during the gradual shrinkage in the supply. We cannot help thinking that Mr. McCulloch would have spared himself some needless mistakes and would have given a more useful explanation of the phenomena if he had fixed his eyes more upon the domestic causes of currency perturbation and less upon the foreign exchanges.

DEPARTMENT REPORTS.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
WASHINGTON, Nov. 30, 1867.

In conformity with law, the Secretary of the Treasury has the honor to submit to Congress this his regular annual report:

The finances of the United States, notwithstanding the continued depreciation of the currency, are in a much more satisfactory condition than they were when the Secretary had the honor to make to Congress his last annual report. Since the first day of November, 1866, $493,990,263 34 of interest bearing notes, certificates of indebtedness and of temporary loans, have been paid or converted into bonds; and the public debt, deducting therefrom the cash in the Treasury, which is to be applied to its payment, has been reduced $59,805,555 72. During the same period decided improvement has also been witnessed in the general economical condition of the country. The policy of contracting the currency, although not enforced to the extent authorised by law, has prevented an expansion of credits, to which a redundant and especially a depreciated currency is always an incentive, and has had no little influence in stimulating labor and increasing production. Industry has been steadily returning to the healthy channels from which it was diverted during the war, and although incomes have been small, and trade generally inactive, in no other commercial country has there been less financial embarrassment than in the United States.

In order that the action of the Secretary, in the financial administration of the Department, may be properly understood, a brief reference to the condition of the Treasury at the time the war was drawing to a close, and at some subsequent periods, seems to be necessary.

FINANCIAL CONDITION AT THE CLOSE OF THE WAR.

On the 31st day of March, 1865, the total debt of the United States was $2,366.955,077 34, of the following descriptions, to wit:

Funded debt	$1,100,361,241 89
Matured debt	349,420 09
Temporary loan certificates	52,452,328 29
Certificates of indebtedness	171,790,000 00
Interest-bearing notes	526,812,800 00
Suspended or unpaid requisitions	114,256,548 93
United States notes (legal tenders)	433,160,569 00
Fractional currency	24,[illegible]54,094 07
Total	$2,423,437.002 18
Cash in the Treasury	56.481,924 84
Total	$2,366,955,077 34

The resources of the Treasury consisted of the money in the public depositories in different parts of the country, amounting as above stated to $56,481,924 84; the revenues from internal taxes and customs duties, and the authority to issue bonds, notes, and certificates, under the following acts to the following amounts:

Acts of Feb. 25, 1862, bonds	$4,023,600 00
Act of March 3, 1864, bonds	27,229,900 00
Act of June 30, 1864, bonds, 7-30 or compound notes	79,811,000 00
Certificates for temporary loans, act June 30, 1864	97,546,471 71
United States notes for payment of temporary loans, act July 1, 1862	16,839,431 00
Fractional currency, act June 30, 1864	25,745,905 93
Act of March 3, 1865, bonds or interest-bearing notes	533,587,200 00
Making a total of	$784,783,508 74

Certificates of indebtedness, payable one year from date, or earlier, at the option of the Government, bearing interest at the rate of 6 per cent. per annum, might be issued to indefinite amount, but only to public creditors desirous of receiving them in satisfaction of audited and settled demands against the United States.

Early in April, the fall of Richmond and the surrender of the forces which had so long defended it, rendered certain that the war was soon to be terminated, and that provision must be made for the payment of the army at the earliest practicable moment.

THE NEW LOAN.

The exigency was great. * * * * But as a considerable amount of the Seven-Thirty notes had recently been disposed of satisfactorily by the Department, and had proved to be the most popular security ever offered to the people, the Secretary determined to rely upon them (although on the part of Government they were in many respects objectionable), and in order to insure speedy subscriptions, to place them within the reach of all who might be willing to invest in them. * * * * As evidence of the necessity that existed for prompt action in the negotiation of this loan, and the straits to which the Treasury was reduced, it will be remembered by those who examined carefully the monthly statements of the Departments, that although during the month of April, upward of one hundred millions of dollars had been received from the sale of 7.30 notes, the unpaid requisitions, at its close, had increased to $120,470,000, while the cash (coin and currency) in all the public depositories amounted only to $16,835,800. If few men intrusted with the management of the finances of a great nation were ever in a position so embarrassing and trying as was that of the Secretary of the United States Treasury in the month of April and May, 1865, none certainly were ever so happily and promptly relieved. * * * *

Between the first days of April and September, 1865, the Secretary used his authority to issue securities as follows :

Bonds under the act of February 25, 1862	$4,023,660 00
Bonds under the act of June 30, 1864	6,000,000 00
Compound interest notes, act June 30, 1864	24,978,390 00
Certificates for temporary loans, act June 30, 1864	54,696,384 87
Fractional currency, act June 30, 1864	2,090,648 44
Seven-Thirty notes, March 3, 1865	529,187,200 00
Total	$620,996,223 31

On the 31st of August, 1865, the public debt reached the highest point, and was made up of the following items, viz :

Funded debt	$1,109,568,191 80
Matured debt	1,503,020 09
Temporary loans	107,148,713 16
Certificates of indebtedness	85,093,000 00
Five per cent. legal-tender notes	33,954,230 00
Compound interest legal tender notes	217,024,160 00
Seven-Thirty notes	830,000,000 00
U. S. notes (legal-tenders)	433,160,569 00
Fractional currency	16,344,742 51
Suspended requisitions uncalled for	2,111,000 00
Total	$2,845,907,626 56
Deduct cash in Treasury	88 218,055 13
Balance	$2,757,689,571 43

Of these obligations, it will be noticed, $684,138,959 were a legal-tender, to wit :

United States notes	$433,160,569
Five per cent. notes	33,954,230
Compound interest notes	217,024,160
Total	$684,138,959

A very large portion of which were in circulation as currency.

The temporary loans were payable in thirty days from the time of deposit, after a notice of ten days.

The five per cent. notes were payable in lawful money, in one and two years from December 1, 1863.

The compound interest notes were payable in three years from their respective dates, all becoming due between the 10th day of June, 1867, and the 16th day of October, 1868.

The Seven-Thirty notes were payable, in about equal proportions, in August, 1867, and June and July, 1868, in lawful money, or convertible at maturity, at the pleasure of the holder, into Five-Twenty bonds.

The certificates of indebtedness would mature at various times between the 31st of August, 1865, and the 2d day of May, 1867.

THE FUNDING PROCESS.

During the month of September, 1865, the army having been reduced nearly to a peace footing, it became apparent that the internal revenues and the receipts for customs would be sufficient to pay all the expenses of the Government and the interest on the public debt, so that thenceforward the efforts of the Secretary were to be turned from borrowing to funding. Besides the United States notes in circulation, there were nearly $1,300,000,000 of debts in the form of interest-bearing notes, temporary loans and certificates of indebtedness, a portion of which were maturing daily, and all of which, with the exception of the temporary loans, (which, being in the nature of loans on call, might or might not be continued, according to the will of the holders,) must be converted into bonds or paid in money before the 16th of October, 1868. The country had passed through a war unexampled in its expensiveness and sacrifice of lives; it was afflicted with a redundant and depreciated currency; prices of property and the cost of living had advanced correspondingly with the increase of the circulating medium: men, estimating their means by a false standard of value, had become reckless and extravagant in their expenditures pus habits; business, in the absence of a stable basis, was unsteady and speculative, and great financial troubles, the usual result of expensive wars seemed to be almost inevitable. It was under such circumstances that the work of funding the rapidly maturing obligations of the Government and restoring the specie standard was to be commenced. While the latter object could not be brought about until the former had been accomplished, it was highly important that the necessity of an early return to specie payments should never be lost sight of. At the same time, it seemed to the Secretary that a return to the true measure of value, however desirable, was not of sufficient importance to justify the adoption of such measures as might prevent funding, and injuriously affect those branches of industry from which revenue was to be derived, much less such measures as might, by exciting alarm, precipitate the disaster which so many anticipated and feared. Thus the condition of the country and the Treasury determined the policy of the Secretary, which has been to convert the interest bearing notes, temporary loans, &c., in gold-bearing bonds, and to contract the paper circulation by the redemption of United States notes. For the last two years this policy has been steadily, but carefully pursued, and the result upon the whole has been satisfactory to the Secretary, and, as he believes, to a large majority of the people. Since the first day of September, 1865, the temporary loans, the certificates of indebtedness, and the five per cent. notes have all been paid, (with the exception of small amounts of each not presented for payment,) the compound interest notes have been reduced from $217,024,160 to $71,875,040, ($11,560,000 having been taken up with three per cent. certificates;) the seven and three-tenth notes from $830,000,000 to $337,978,800; the United States notes, including fractional currency, from $459,505,311 51 to $387,871,477 39—while the cash in the Treasury has been increased from $88,218,055 13 to

$133,998,398 02, and the funded debt has been increased $686,584,800. While this has been accomplished there has been no commercial crisis, and (outside of the Southern States, which are still greatly suffering from the effects of the war and the unsettled state of their industrial interests and political affairs) no considerable financial embarrassment.

RESUMPTION OF SPECIE PAYMENTS.

In his last report, the Secretary remarked that "After a careful survey of the whole field, he was of the opinion that specie payments might be resumed, and ought to be resumed, as early as the 1st day of July, 1868, while he indulged the hope that such would be the character of future legislation and such the condition of our productive industry that this most desirable event might be brought about at a still earlier day." These anticipations of the Secretary may not be fully realized. The grain crops of 1866 were barely sufficient for home consumption. The expenses of the War Department, by reason of Indian hostilities and the establishment of military governments in the Southern States, have greatly exceeded the estimates. The Government has been defrauded of a large part of the revenue upon distilled liquors, and the condition of the South has been disturbed and unsatisfactory. These facts, and the apprehension created in Europe, and to some extent at home, by the utterances of some of our public men upon the subjects of finance and taxation, that the public faith might not be maintained, may postpone the time when specie payments shall be resumed. But, notwithstanding these unexpected embarrassments, much preliminary work has been done, and there is not, in the opinion of the Secretary, any insuperable difficulty in the way of an early and a permanent restoration of the specie standard. It may not be safe to fix the exact time, but, with favorable crops next year and with no legislation unfavorable to contraction at this session, it ought not to be delayed beyond the 1st of January, or at the furthest the 1st of July, 1869. No thing will be gained, however, by a forced resumption. When the country is in a condition to maintain specie payments they will be restored as a necessary consequence. To such a condition of national prosperity as will insure a permanent restoration of the specie standard the following measures are, in the opinion of the Secretary, important, if not indispensable:

First.—The unding cr payment of the balance of interest-bearing notes, and a continued contraction of the paper currency.

Second.—The maintenance of the public faith in regard to the funded debt.

Third.—The restoration of the Southern States to their proper relations to the Federal Government.

If this opinion be correct, the question of permanent specie payments, involving as it does the prosperity of the country, underlies the great questions of currency, taxation and reconstruction, which are now engaging the attention of the people, and cannot fail to receive the earnest and deliberate attention of Congress. In view of the paramount importance of this great question the Secretary deems it to be his duty briefly to discuss the measures regarded by him to be necessary for an early and wise disposition of it, even at the risk of a repetition of what he has said in previous communications to Congress.

THE MEASURES NECESSARY.

The measures regarded by him as important, if not indispensable for national prosperity, and as consequence for a permanent resumption, are—

First—The funding or payment of the balance of interest bearing notes, and a continued contraction of the paper currency.

By the act of March 2, 1867, the Secretary was authorized and directed to issue 3 per cent loan certificates to the amount of fifty millions of dollars, for the purpose of redeeming and retiring compound interest notes; and such certificates,

on the 1st inst., had been issued to the amount of $11,560,000, in redemption of the notes becoming due in October and December. The notes still outstanding will be either taken up with certificates or paid at maturity. The seven and three-tenth notes, being payable in lawful money, or convertible at the option of the holders into Five-Twenty bonds, will be paid or converted according to the terms of the contract. Fortunately all the interest-bearing notes are to be paid or converted within eleven months, and they need not therefore be regarded as a serious impediment to a return to the true standard of value. As to the redemption of these notes, and the manner in which they should be redeemed, there cannot, of course, be much difference of opinion. *It is in regard to a contraction of the currency, and upon which of the two kinds of currency—United States notes or the notes of the National Banks—contraction should be brought to bear; that a difference of sentiment seems to exist.*

In his report to Congress, under date of the 4th of December, 1865, the Secretary presented, as fully and as clearly as he was able to do, his views upon the subject of the currency, and the necessity of action for the purpose of bringing about a return to specie payments. The views thus presented by him were approved by the House of Representatives on the 8th December, 1865, by the adoption of the following resolution, by the decisive vote of 144 to 6 :

Resolved, That this House cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency, with a view to as early a resumption of specie payments as the business interests of the country will permit; and we hereby pledge co-operative action to this end as speedily as practicable.

These views are not only approved by the House of Representatives, but they seemed at the time to be heartily responded to by the people. By the act of April 12, 1866, the Secretary was authorized to receive Treasury notes and other obligations of the Government, whether bearing interest or not, in exchange for bonds, with a proviso that, of United States notes, not more than $10 000,000 should be canceled within six months of the passage of the act, and thereafter notmore than $4,000 000 in any one month. This proviso, while it fixed a limit to the amount of notes which should be retired per month, so far from indicating an abandonment of the policy of contraction, confirmed and established it. To this policy (although for reasons that seemed to him judicious, the regular monthly reduction has not always been made) the action of the Secretary has been conformed, and the effect has been so salutary, and the continuation of it would be so obviously wise, that he would not consider it necessary to say one word in its favor were there not indications that, under the teachings of the advocates of a large and consequently a depreciated currency, such views are being inculcated as, if not corrected, may lead to its abandonment.

THE NATIONAL DEBT—NATURE OF THE PLEDGE.

But the public faith does not depend alone upon adequate revenue laws, nor upon economy in the administration of the Government. It rests also upon the observance of contracts in the spirit as well as in the letter. * * * Now, to what is the United States pledged in regard to the public debt? Is it not that it shall be paid according to the understanding between the Government and the subscribers to its loans at the time the subscriptions were solicited and obtained? And can there be any question in regard to the nature of this understanding? Was it not that, while the interest-bearing notes should be converted into bonds or paid in lawful money, the bonds should be paid, principal as well as interest, in coin? Was not this the understanding of the Congress which passed the loan bills and of the people who furnished the money? Did any member of the House or of the Senate, prior to 1864, in the exhaustive discussions of these bills, ever intimate that the bonds to be issued in accordance with their

provisions might be paid, when redeemable, in a depreciated currency? Was there a single subscriber to the Five-Twenty bonds or to the Seven and three-tenth notes which by their terms were convertible into bonds, who did not believe, and who was not given to understand by the agents of the Government, that both the principal and interest of these bonds were payable in coin? Does any one suppose that the people of the United States, self-sacrificing as they were in the support of the Government, would have sold their stocks, their lands, the products of their farms, of their factories and of their shops, and invested the proceeds in Five-Twenty bonds and Seven and three-tenth notes, convertible into such bonds, if they had understood that these bonds were to be redeemed after five years from their respective dates in a currency of the value of which they could form no reliable estimate? Would the Secretary of the Treasury, or would Congress—when the fate of the nation was trembling in the balance, and when a failure to raise money for the support of the Federal army would have been success to the rebellion and ruin to the Union cause—have dared to attempt the experiment of raising money on bonds redeemable at the pleasure of the Government after five years, in a currency the convertible value of which might not depend upon the solvency of the Government, but upon the amount in circulation? No such understanding existed, and fortunately no such experiment was tried. The bonds were negotiated with the definite understanding that they were payable in coin, and the Seven and three-tenth notes with an equally definite understanding that they were convertible at the option of the holder into bonds of a similar character, or payable in lawful money. The contracts were made in good faith on both sides, a part of them when the Government was in imminent peril and needed money to preserve its existence, the balance when its necessities were scarcely less urgent, for the payment of its just obligations to contractors and to the gallant men by whom the nation was saved. Good faith and public honor, which to a nation are of priceless worth, require that these contracts should be complied with in the spirit in which they were made. The holders of our bonds at home and abroad, who understand the character of the people of the United States and the greatness of the national resources, ought not to need an assurance that they will be so complied with.

THE ACTION OF CONGRESS.

Here remarks upon a subject which it ought not to be necessary to discuss might be closed, but the great interest and alarm excited by the doctrines recently promulgated seem to justify a reference to the debates when the act of Feb. 25, 1862, in some respects the most important of the loan bills, was under consideration, in order that the action and intention of Congress in regard to the legal tender notes and to the bonds which it authorized the issue of may be understood.

This act authorized an issue of one hundred and fifty millions of United States notes, which were made receivable for all Government dues, except duties on imports, and of all claims against the United States, except for interest upon bonds and notes, which was to be in coin. It also authorized the issue of five hundred millions of bonds, redeemable at the pleasure of the Government after five years from date. The purpose for which these bonds were to be issued was stated to be "to enable the Secretary of the Treasury to fund the Treasury notes and floating debt of the United States," and he was authorized to dispose of them "at the market value thereof, for coin of the United States, or for any Treasury notes issued under any former act of Congress, or for the United States notes that might be issued under this act." Regarding only the act itself, it is not supposable that Congress intended to provide for funding the floating debt in bonds which might, at the expiration of five years, be called in and paid in the very notes which, with the Treasury notes, were thus to be funded. These bonds, like all others since and previously issued, were intended to be a part of the funded debt of the United States, the right to redeem them after five years hav-

ing been reserved by the Government, not that they might be called in and paid in a depreciated currency, but in order that bonds bearing a lower rate of interest might be substituted for them, if it should so happen that before their maturity money could be borrowed on more favorable terms. The act provides that the United States notes of which it authorized the issue should be receivable in payment "of all claims and demands against the United States of every kind whatsoever, except interest upon bonds and notes, which shall be paid in coin." It is not said that they shall not be receivable for the principal of the bonds, for the very obvious reason that they were expected to be but a temporary circulation. A provision that these notes—intended only to meet a temporary emergency—should not be received for the payment of the principal of bonds which were not redeemable for five years, would, if it had been advocated and insisted upon, have been quite likely to have prevented their issue. The public judgement had not then been perverted by an irredeemable currency, and a proposition that indicated a long continued departure from the specie standard would have found few supporters in Congress or among the people.

THE DEBATES ON THE SUBJECT.

But, if the intention and understanding of Congress are not sufficiently indicated by the language of the act, all doubts must be removed by a referenec to the debates while it was under consideration From these debates it is clear that the issue of the legal tender notes was expected to be limited to one hundred and fifty millions. On this point one of the Representatives from the State of New York spoke as follows:

"Then the whole secret of our financial success lies simply in borrowing five hundred millions, or rather in funding the floating indebtedness convertibly represented by the Treasury notes, so that their issue need never exceed that authorized by this bill, and which is conceded to be the extreme limit consistent with safety to private interest and public credit. Nobody has proposed to rely upon this currency beyond that amount, but on the contrary, the idea of any further similar issue has been expressly repudiated by every supporter of this bill."

One of the Representatives from Massachusetts put to the distinguished Chairman of the Committee of Ways and Means the following question—

"Let me ask the gentleman from Pennsylvania whether he now expects in managing these financial matters to limit the amount of these notes to one hundred and fifty millions. Is that his expectation?"

To which question he received the following reply:

"It is. I expect that is the maximum amonnt to be issued."

Later in the debate, the same distinguished gentleman used the following anguage:

"When this question was discussed before the distinguished gentleman from Kentucky (Mr. Crittenden) asked me whether it was the intention or expectation of the House to go on and issue more than one hundred and fifty millions of legal tender notes—a pertinent question, which I saw the full force of at the time. I told him that it was my expectation that no more would be issued by the government; that they would be received and funded in the twenty-year bonds."

It is clear from these quotations, and the whole tenor of the debate, that it was the intention of Congress that $150.000,000 should be the limit of the legal-tender circulation, and that it was confidently expected that this circulation would soon be converted into the Five-Twenty bonds known as the bonds of 1862, and which are now redeemable according to their tenor. This of itself is a

sufficient explanation of the fact that it was deemed unnecessary to provide that these notes should not be receivable for the principal of the bonds. As the amount to be issued was limited to $150,000,000, a provision that they should not be receivable for the principal of $500,000,000 of bonds, to be issued under the same act, in which they were expected to be funded, and which were not to be subject to the control of the Government for five years, would certainly have been regarded as being as singular as it would have been unnecessary. But this not all. The same gentleman, who, as Chairman of the Committee of Ways and Means, was the exponent of the views of the House upon this question, in speaking of these bonds, remarked as follows—

"A dollar in a miser's safe, unproductive, is a sore disturbance. Where could they invest it? In the United States loans at six per cent, redeemable in gold in twenty years—the best and most valuable permanent investment that could be desired."

Would he have regarded these bonds a most valuable permanent investment if he had supposed that they might be redeemed in a depreciated currency at the expiration of five years from date? Again, he said: "But widows and orphans are interested and in tears lest their estates should be badly invested. I pity no one who has money invested in the United States bonds payable in gold in twenty years, with interest semi-annually."

In these debates very little was said upon the subject of the payment of the principal of the bonds, apparently for the reason that no one supposed that they would or could be paid in anything else than in the heretofore recognised constitutional currency of the country. The same may be said in regard to the debates upon the bills authorizing subsequent issues. The acts of March 3, 1863, and March 3, 1864, are the only acts which state expressly that the bonds to be issued under them shall be payable in coin; and this provision in these acts, if not accidental, attracted no attention at the time, either in Congress or with the public. Under the former act seventy-five millions of twenty-years six per cent. bonds (part of those known as bonds of 1881) were issued, and under the latter act nearly two hundred millions of five per cent. bonds, known as Ten-Forties; and the fact that these six per cent. bonds have had no higher reputation than other bonds of the same class, and that the five per cent. bonds never were a popular security, and have in the market, until very recently, scarcely possessed a value corresponding with the six per cent. Five-Twenties, shows conclusively that dealers in Government securities, and the people generally, have not regarded this provision as placing them on a different footing, as to the kind of money in which they are to be paid, from the bonds issued under acts containing no such provision. There was nothing in the condition of the country when these acts were passed that required an unusual provision, in order that the loans authorized by them might be successfully negotiated; on the contrary, the national credit was better then than at periods when other loan bills were passed; nor was there any intimation by any member of Congress, nor was it ever thought by the officers of the Treasury Department, that the bonds authorized by them were of a different character from those issued under other acts. It is unreasonable to suppose that it was the intention of Congress that the bonds authorized by the act of February 25, 1862, and June 30, 1664, might be paid in legal tender notes, while those authorized by the acts of March 3, 1863, and March 3, 1864, could be paid only in coin. The various issues of bonds, constituting the national funded debt, stand upon the same footing, and all should be paid in coin, if any are so paid. * * * * *

RESTORATION OF THE SOUTHERN STATES.

The importance of the restoration of the Southern States to their proper relations with the Federal Government cannot be over estimated. A curtailment of the currency and the maintenance of the public faith are not all that is required to re-

store the country to perfect financial health. We need, in addition to these, a united country—united in fact as well as in name. It may not be proper for the Secretary in this report to discuss the measures regarded by him as best calculated to bring about this most desirable result. This, however, he feels it to be his duty to say, as he substantially said in his last year's report, that the question of reconstruction, as a purely financial question, is in his judgment, second in importance to none that Congress will ever be called upon to consider. The great staples of the South have for many years constituted a large portion of our exports. But for the cotton held in that section at the close of the rebellion, the foreign exchanges would have been so largely against the United States that a commercial revulsion would have been imminent, if not unavoidable. Even in the deplorable condition of these States, last year more than two thirds of our exports consisted of their productions, and it is the crop of the present year—small though it may be—that is to save us from ruinous indebtedness to Europe. It is of the greatest moment, therefore, that the productive power of the Southern States should be restored as rapidly as possible. Little progress has been made in this direction, during the past two years, and no real progress will be made until their political condition is determined by their restoration to the Union with all the rights and privileges of other States under the Constitution. The Secretary does not allude to this subject for the purpose of calling the attention of Congress to it. This is unnecessary. It is absorbing the public attention, and the further action of Congress in relation to it will be watched by the people with intense solicitude. Upon the judicious settlement of it depends, in a great degree, the national prosperity. The views presented by the Secretary upon this subject in his last report are equally appropriate at the present time.

* * * * * * * *

A NEW ISSUE OF SIX PER CENT. BONDS.

After giving the subject careful consideration, the Secretary can suggest no better way of doing it than by an issue of bonds to be known as the Consolidated Debt of the United States, bearing six per cent interest, and having twenty years to run, into which all other obligations of the Government shall as rapidly as possible be converted—one sixth part of the interest at each semi-annual payment to be reserved by the Government and paid over to the States, according to their population. By this means all the bonds, wherever held, would be taxed alike, and a general distribution of them be secured. State taxes, including the levies for county and municipal purposes, now, as a general thing exceed one per cent, but when the debts incurred for the payment of bounties are paid (and in many of the States they are already in the process of rapid extinction) and economy is again practiced in State affairs, this indirect assessment will be quite likely to equal the tax assessed upon other property. If the debt to be funded shall amount to $2,000,000,000 the amount to be reserved and paid to the States annually would be $20,000,000, which would give to each of the States, in gold, as nearly as can now be estimated, the following sums, to be reduced of course with the reduction of the debt:

Maine	$385,609 76	Arkansas	$267,259 98
Massachusetts	748,378 43	Louisiana	434,540 77
New Hampshire	194,411 17	Texas	529,772 40
Vermont	186, 26 09	labama	580,512 53
Connecticut	282,418 01	Mississippi	471,792 23
Rhode Island	107,174 16	Georgia	648,915 93
New York	2,381,825 89	Florida	90,290 60
New Jersey	412,466 92	South Carolina	431,905 13
Pennsylvania	1,788,647 12	North Carolina	620,634 23
Ohio	1,44 ,559 58	Virginia	730,662 58
Indiana	836,727 81	West Virginia	249,088 10
Michigan	472,909 32	Maryland	421,680 51
Illinois	1,300,892 56	Delaware	68,873 42
Wisconsin	521,554 48	Kansas	156,662 80
Iowa	493,159 19	Nebraska	33,716 86
Minnesota	177,840 91	California	288,753 14
Missouri	773,831 79	Nevada	21,048 73
Kentucky	709,308 45	Oregon	46,000 76
Tennessee	681,147 55		
Total			$20,000,000 00

The advantages to be derived from this plan are so obvious as not to require discussion. It would secure, as has been already stated, such a distribution of the bonds

throughout the States and counties and cities as could not be expected if local taxes should be imposed upon them. It would create an interest in the bonds in States the people of which are justly responsible for the debt, but whose early and complete restoratio nto the Union is so desirable and important, and would give to them needed aid in their efforts to bui d up again their own prostrate credit. It would put an end to all discusions and doubts in regard to the kind of currency in which the bonds are to be paid, to all complaints of exclusive privileg s, and place the public credit on a basis worthy a nation whose resources, young as it is, are second to those of no other nation, and of whose future resources the present are but an indication.

The bo ds, the issue of which is thus recommended, would be six per cents to the Government and five per cents to the holders, which is as low a rate of interest as be can expected to prevail in the United States for many years to come. Of the practicability of converting the outstanding obligations of the Government into this consolidated debt at an early day, at no considerable expense, the S cretary entertains no doubt. It is, therefore, respectful y recommended that the Act of March 3, 1865, be so amended as to authorize the Secretary of the Treasury to issue six per cent. gold-bearing bonds, to be known as the Consolidated debt of the United States, having twenty years to run, and redeemable if it may be thought advisable at an earlier day, to be exchanged at par for any and all other obligations of the Government—one-sixth part of the interest on which, in lieu of all other tax s, at each semi-annual payment, shall be reserved by the Government and paid, over to the States according to population.

THE PUBLIC DEBT.

The following is a statement of the public debt on the 1st of July 1867:

DEBT BEARING COIN INTEREST.		
5 per cent bonds	$1[illegible]8,431,350 00	
6 per cent. bonds of 1867 and 1868	15,[illegible]8,141 80	
6 per cent bonds, 1881	283,7[illegible]6,350 00	
6 per cent 5-20 bonds	1,127,531,800 00	
Navy pension fund	13,000,000 00—	$1,007,890,041 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent bonds	$14,762,000 00	
Three year compound interest notes	122,394,480 00	
Three year 7-30 notes	488,047,425 00—	625,803,905 00
Matured debt not presented for payment		8,997,595 00
DEBT BEARING NO INTEREST.		
United States notes	$371,992,029 00	
Fractional currency	78,307,528 52	
Gold certificates of deposit	19,[illegible]07,520 00—	419,507,072 52
Total debt		$2,692,199,215 12
Amount in Treasury, coin	108,419,638 02	
Amount in Treasury, currency	71,979,563 77—	$180,399,201 79
Amount of debt, less cash in Treasury		$2,511,800,013 33

The following is a statement of the public debt on the 1st of November, 1867:

DEBT BEARING COIN INTEREST.		
5 per cent. bonds	$198,845,350 00	
6 " " of 1867 and 1868	14,690,941 80	
6 " " 1881	283,676,600 0	
6 " 5-20 bonds	1,[illegible]6[illegible],898,100 00	
Navy pension fund	13,000,000 00—	$1,778,110,991 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent. bonds	$18,042,000 00	
Three year compound interest notes	62,558,940 00	
" " 7-30 notes	334,607,70[illegible] 00	
Three per cent. certificates	11,560,000 00—	$426,768,640 00
MATURED DEBT NOT PRESENTED FOR PAYMENT.		
3 year 7-30 notes, due Aug. 15, 1867	$3,371,100 00	
Compound interest notes matured June 10, July 15, Aug. 15, and Oct. 15, 1867	9,316,100 00	
Bonds, Texas indemnity	262,000 00	
Treasury notes, acts July 17, 1861, and prior thereto	163,661 64	
Bonds, April 15, 184[illegible]	54,061 64	
Treasury notes, March 3, 1863	868,240 00	
Temporary loan	4,168,375 55	
Certificates of indebtedness	34,000 00—	$18,237,538 83

DEBT BEARING NO INTEREST.

United States notes	357,164,844 00	
Fractional currency	30,706,633 39	
Gold certificates of deposit	14,512,300 00—	402,385,677 30
Total debt		$2,625,502,848 02
Amount in Treasury, coin	$111,540,317 35	
Amount in Treasury, currency	22,458,080 67—	133,908,398 02
Amount of debt, less cash in Treasury		2,491,504,450 00

RECEIPTS AND EXPENSES OF THE YEAR.

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1867:

Receipts from Customs	$176,417,810 88	
Lands	1,163,575 76	
Direct tax	4,200,233 70	
Internal revenue	266,027,537 43	
Miscellaneous sources	42,824,852 50—	$490,634,010 27
Expenditures for the civil service	$51,110,027 27	
Pensions and Indians	25,579,083 48	
War Department	95,224,415 63	
Navy Department	31,034,011 04	
Interest on the public debt	143,781,591 91—	$346,729,129 33
Loans paid	$746,350,525 94	
Receipts from loans	640,426,910 29	
Reduction of loans		$105,923,615 65

The following is a statement of receipts and expenditures for the quarter ending Sept. 30, 1867:

Receipts from Customs	$48,081,907 61	
Lands	287,460 07	
Direct tax	647,070 83	
Internal revenue	58,784,027 49	
Miscellaneous sources	18,361,462 62—	$121,161,928 62
Expenditures for the civil service	13,152,348 08	
Pensions and Indians	10,484,476 11	
War Department	30,537,056 35	
Navy Department	5,579,704 67	
Interest on the public debt	38,515,640 47	—$98,269,226 18
Loans paid	200,176,368 34	
Receipts from loans	135,103,282 00	
Reduction of loans		65,073,086 34

The Secretary estimates that the receipts and expenditures for the three quarters ending June 30, 1868; will be as follows:

Receipts from Customs	$115,300,000 00	
Lands	700,000 00	
Internal revenue	155,000,000 00	
Miscellaneous sources	25,000,000 00—	$296,000,000 00

The expenditures for the same period, according to his estimates, will be—

For the civil service	$37,000,000 00	
For pensions and Indians	22,000,000 00	
For the War Department, including $24,500,000 for bounties	100,000,000 00	
For the Navy Department	22,000,000 00	
For the interest on the public debt	114,000,000 00—	$295,000,000 00
Leaving a surplus of estimated receipts over estimated expenditures of		$1,000,000 00

The receipts and expenditures for the next fiscal year, ending June 30, 1869, are estimated as follows:

Receipts from Customs	$145,000,000 00	
Receipts from internal revenue	205,000,000 00	
Receipts from lands	1,000,000 00	
Receipts from miscellaneous sources	30,000,000 00—	$381,000,000 00

The expenditures are estimated as follows:

For the civil service	$51,000,000 00	
For pensions and Indians	3[illegible],000,000 00	
For the War Department, including $25,500,000 for bounties	120,000,000 00	
For the Navy Department	36,000,000 00	
For the interest on the public debt	130,000,000 00—	$372,000,000 00
Leaving a surplus of estimated receipts over estimated expenditures of..		$9,000,000 00

The foregoing estimates are made on the general average of the receipts and expenditures for the past nine months. The Secretary is hopeful, however, that Congress will take measures to largely reduce expenditures in all branches of the service, so that a steady reduction of the debt may be continued.

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THE PARIS MONETARY CONGRESS.

The Department of State has referred to this Department, for consideration, the official report of the proceedings of the International Monetary Conference held at Paris in June and July of the present year, and also the report of Mr. Samuel B. Ruggles, the delegate in that Conference from the United States of America. * * * The matters thus presented are of high monetary interest to the United States, and merit the attentive and careful examination of its public authorities, executive and legislative. They are fully discussed in the separate report of Mr. Ruggles, under the following heads:

1.—The composition and character of the Conference, embracing nine separate nations, with a population of 320,000,000 inhabitants.

2.—The importance of including, in the proposed monetary reform, the nations of Central and South America.

3.—The necessity of monetary union between the Eastern and Western Continents.

4.—The intermediate position of the two Americas between Western Europe and Eastern Asia, and their duty as the principal producers of the gold of the world.

5.—The cost of recoinage required by the proposed unification, with full statistics of the coinage, past and present, of the United States, Great Britain and France.

The gold coinage of the United States, from 1792 to 1851, the report states to have been	$180,184,268
Of Great Britain, from 1816 to 1851	480,105,755
Of France, from 1793 to 1851	324,492,516
Total	$984,782,639
From 1851 to 1866 (fifteen years) there has been coined by the United States.	$665,352,323
Great Britain	455,225,695
France	987,788 298
Total	$2,108,356,316

6.—The probable rate of future product of gold in the United States.

7 and 8.—The history of the varying coinages of Europe, and their gradual consolidation.

9.—The contrast presented by the coinage of the United States as unified by the Constitution.

10.—The necessity of intercontinental monetary conferences of nations First attempt in the Congress at Berlin in 1863.

11.—Quadripartite monetary treaty of December, 1865, between France, Belgium, Switzerland and Italy, with subsequent adhesion of the Pontificial States and of Greece, partially unifying Europe.

12.—The necessity of a single standard exclusively of gold. The fallacy and impossibility of a double standard of gold and silver.

14.—A "common denominator," or unit, of gold of defined weight and value, rendering "dollars" and "francs" synonimous, or mutually convertible.

14.—Action in the Conference by the delegates from Great Britain.

15.—The consent of France to issue a new gold coin of 26 francs to circulate side by side with the half eagle of the United States and the sovereign of Great Britain, when reduced to that value.

The proper examination of a subject so comprehensive can hardly fail to benefit the Government and the people of the United States. * * * * *

HUGH McCULLOCH,
Secretary of the Treasury.

STATEMENT OF THE INDEBTEDNESS OF THE UNITED STATES, JUNE 30, 1867.

Acts of	Synopsis of Acts.	Title.	Length of loan.	When redeemable.	Rate of interest	Amount authorized.	Amount issued.	Amount outstanding.
July 21, '41, and April 15, 1842.	Authorized loan of $12,000,000, interest not exceeding 6 per cent., reimbursable at will of Secretary, after six months' notice, or at any time after three years from Jan. 1, 1842. The act of April 15, 1842, authorized loan of additional $5,000,000. This loan was made to redeem outstanding Treasury notes and defray public expenses.	Loan of 1842...	20 years	Dec. 31, '62.	6 p. c.	$17,000,000	$8,000,000	$64,768 68
Jan. 28, '47.	Authorized the issue of $23,000,000 Treasury notes, interest not exceeding 6 per cent., with authority to borrow any portion of amount, and issue bonds therefor, redeemable after Dec. 31, 1867. The 13th section authorized the funding of these notes into bonds of the same description. The act authorized the funding of Treasury notes issued under former acts beyond $23,000,000	Loan of 1847...	20 years	Dec. 31, '67.	6	23,000,000	28,207,000	7,160,200 00
Mar. 31, '48.	Authorized a loan of $16,000,000, reimbursable at any time after twenty years from July 1, 1848. Authority was given to the Secretary to purchase the stock at any time.	Loan of 1848...	20 years	July 1, 1868.	6	16,000,000	16,000,000	8,030,941 80
Sept. 9, '50.	Authorized the issue of $10,000,000 in bonds, redeemable at end of fourteen years, to indemnity the State of Texas at the time of annexation	Texas indemnity.	15 years	Dec. 31, '64.	5	10,000,000	5,000,000	263,000 00
Old fun'd & unf'd dbts.	Consisting of unclaimed dividends upon stocks issued before the year 1800, and those issued during the war of 1812.	Old funded debt	Dema'd	On demand.	5 & 6	....	....	113,915 48
Prior to '57	Different issues of Treasury notes..	Treasury notes	......	On demand.	1 m.-6	....	....	104,511 64
Dec. 23, '57.	Authorized an issue of $20,000,000 in Treasury notes, interest not exceeding 6 per cent., and receivable in payment of public dues, and to be redeemed after the expiration of one year from date of said notes	Treasury notes.	1 year..	1 yr. fm. date	5 to 5¾	20,000,000	....	2,600 00
June 14, '58.	Authorized a loan of $20,000,000, reimbursable at any time after expiration of fifteen years from Jan. 1, 1859.	Loan of 1858...	15 year	Dec. 31, '73.	5	20,000,000	20,000,000	20,000,000 00
June 22, '60.	Authorized a loan of $21,000,000, reimbursable within a period not beyond twenty years, and not less than ten years, for the redemption of outstanding Treasury notes, and for no other purpose.	Loan of 1860...	10 years	Dec. 31, '70.	5	21,000,000	7,022,000	7,022,000 00
Dec. 17, '60.	Authorized an issue of $10,000,000 Treasury notes, to be redeemed after expiration of one year from date of issue, and bearing such a rate of interest as offered by the lowest bidders.	Treasury notes.	1 year..	1 yr. aft. date	6 & 12	10,000,000	10,000,000	600 00
Feb. 8, '61.	Authorized a loan of $25,000,000, reimbursable within a period not beyond twenty years, nor less than ten years. This loan for payment of current expenses, and awarded to the most favorable bidders.	Loan of Feb. 8 1861.	20 years	June 1, '81.	6	25,000,000	18,415,000	18,415,000 00

Mar. 2, '61.	Authorized a loan of $10,000,000, reimbursable after expiration of t n years from July 1, 1861. In case proposals for loan were not acceptable, authority was given to issue the amount in Treasury notes. Authority also given to substitute Treasury notes for whole or any part o loans authorized at the time of the passage of this act, such notes to be receivable for all public dues, and redeemabl within two years from March 2, 1861.	Treasury notes.	2 years. 60 days	2 years from date. 60 d. aft. date	...... 6	22,468,100 12,896,350	22,468,100 12,896,350	3,000 00
Mar 2, '61.	Authorized issue of $2,800,000 in coupon bonds, redeemable in twenty years, for expenses incurred in suppression of Indian hostilities of 1855 and 1856.	Oregon war....	20 years	July 1, '81.	6	2,800,000	1,090,850	1,016,000 00
July 17, '61, and Aug. 5, 1861.	Authorized a loan of $250,000,000, for which could be issued bonds bearing intere t at not exceedi g 7 per cent., irredeemable for twenty years, and after that redeemable at the pleasure of the United States; Treasury notes bearing interest at the rate of 7.30 per cent., payable three years after date, and U. S. notes without interest, payable on demand, to the extent of $50,000,000 (increased by act of Feb. 12, 1862, to $60,000,000), to bonds and Treasury notes to be issued in such proport ons of each as the Secretary may deem advisable. The suppl mentary act of Aug. 5, 1861, authorized an issue of bonds bearing 6 per cent interest per annum, and payable at the pleasure of the United States after twenty years from date, which may be is-ued in exchange for 7 30 Treasury notes, but no such bonds to be issued for a less sum than $500; and the whole amount of such bonds not to exceed the whole amount of 7.30 Treasury notes issued.	20-year sixes. 7.30 notes. .. (two issues)	20 years 3 yrs.	June 30, '81 Aug 18, '64 Sept. 30, '64	6 7.30	....	50,000,000 139,999,750	50 000,000 00 139,315,350 00
		Demand notes	Dema'd	Demand ...	None.	....	60,000,000	208,432 00
		20 year sixes.	20 years	June 30, '81	6	Exchargeable for 7.30 Treasury notes.	....	59,700 00
Feb. 25, 1862	Authorized the issue of $500,000,000 in 6 per cent. bonds, redeemable after five years, and payable twenty years from date, which may be exchanged for United States notes. Also, on							
Mar. 3, 1864	Authorized the issue of not over $11,000,000 additional of similar bonds, to meet subscriptions already made and paid for	Five-twenties	5 or 20 years.	After April 30, 1867.	6	515,000,000	514,780,500	514,780,500 00
June30, 64 Jan. 28, 65	On hand unsold in the United States or Europe....							
Feb. 25, 1862	Authorized the issue of $150,000,000 in legal-tender U. S. notes, $50 000,000 of which to be in lieu of demand notes issued under act of July 17, 1861.							
July 11, 1862	Authorized an additional issue of $150,000,000 legal-tender notes, $35,000,000 of which might be in denominations less than five dollars; $50,000,000 of this issue to be reserved to pay temporary loans promptly in case of emergency.	U. S. notes, new issue.	....	....	None.	450,000,000	....	371,783,597 00
Resolution of Congress Jan. 17, 1863	Authorized the issue of $100,000,000 in United States notes, for payment of army and navy, notes to be a part of the amount provided for in any bill that may hereafter be passed by this Congress. (The amount in this resolution is included in act of March 3, 1863.)							

STATEMENT OF THE INDEBTEDNESS OF THE THE UNITED STATES, JUNE 30, 1867.—(Continued.)

Acts of	Synopsis of Acts.	Title.	Length of loan.	When redeemable.	Rate of interest	Amount authorized.	Amount issued.	Amount outstanding.
March 3, '63	A further issue of $150,000,000 in United States notes, for converting the Treasury notes which may be issued under this act, and for no other purpose. And a further issue, if necessary, for payment of army and navy, and other creditors of $150,000,000 in notes, which amount includes the $100,000,000 authorized by resolution of January 17, 1863.							
April 12, '66	Provided, That of United States notes, not more than ten millions of dollars may be retired and cancelled within six months from the passage of this act, and thereafter not more than four millions of dollars in any one month: And provided further, That the act to which this is an amendment shall continue in full force in all its provisions, except as modified by this act.	U. S. notes, new issue.	....	....	None.	450,000,0 0	....	371,783,597 00
Feb. 25, '62	Authorized temporary loan of $25,000,000 in U. S. notes, for not less than thirty days, payable after ten days' notice, at 5 per cent. interest. (This was increased to $100,000,000 by the following acts.)							
Mar'h 17, '62	Authorized an increase of temporary loans of $25,000,000, interest at rate not exceeding 5 per cent.	Temp'y loan.	Not less than 30 days.	Aft. 10 days' notice.	4, 5 & 6.	150,000,000	....	20,225,070 00
July 11, '62	Authorized further increase temporary loans of $50,000,000 .							
June 30, '64	Authorized increase of temporary loans to not exceeding $150,000,000, at not exceeding 6 per cent.							
March 3, '63	Authorized a loan of $300,000,000 for this, and $600,000,000 for the next fiscal year, for not less than ten, nor more than forty years, principal and interest payable in coin. So							
June 30, '64	much of this act as limits loan to current fiscal year is repealed by act of June 30, 1864, which also repeals the authority to borrow money conferred by section 1, except so far as it may affect $75,000,000 of bonds already advertised.	Loan of 1863.	....	After June 30, 1881.	6	75,000,000	75,000,000	75,000,000 00
March 3, '63.	And Treasury notes to the amount of $400,000,000 not exceeding three years to run, interest not over 6 per cent, principal and interest payable in lawful money, which may be made a legal tender for their face value, excluding interest, or convertible into United States notes.	Treasury notes.	2 years.	2 years after date.	5	....	211,000,000	1,123,830 00
			1 year..	1 yr. aft. date	5	400,000,000		
	Secretary may receive gold on deposit and issue certificates therefor, in sums not less than twenty dollars.	Gold certific'tes	....	On demand.	....	Not spec'd	....	19,207,520 00

	Authorizes issue of bonds not exceeding $200,000,000, bearing date March 1, 1864, or any subsequent period, redeemable at pleasure of Government after any period not less than five years, and payable at any period not more than forty years from date, in coin, interest not exceeding 6 per cent., payable on bonds not over one hundred dollars annually, and on all other bonds semi-annually, in coin.	Ten-forties.	10 or 40 years.	Feb. 28, '74.	5	$200,000,000	$172,770,100	$171,409,350 00
		Five-twenties	5 or 20 years.	Oct. 31, '69	6	....	....	3,882,500 00
March 1, '62	Authorized an issue of certificates of indebtedness, payable one year from date, in settlement of audited claims against the Government. Interest 6 per cent., payable in gold; and by	Certificates indebtedness.	1 year..	1 yr. aft. date	6	Not specif'd	....	36,000 00
March 3, '63	Payable in lawful currency on those issued after that date. Amount of issue not specified.							
July 17, '62	Authorized an issue of notes of the fractional parts of one dollar, receivable in payment of all dues, except customs, less than five dollars, and exchangeable for United States notes in sums not less than five dollars. Amount of issue not specified.	Postal currency	....	....	.....	Not specif'd	....	5,497,534 93
March 3, '63	Authorized an issue not exceeding $50,000,000 in fractional currency, (in lieu of postage or other stamps,) exchangeable for U. S. notes in sums not less than three dollars, and receivable for any dues to the United States less than five dollars, except duties on imports. Authority given to prepare it in the Treasury Department.	Fractional currency.	....	....	...	50,000,000	....	22,80[illegible],9[illegible]8 59
June 30, '64	Authorized issue in lieu of issue under acts of July 17, 1862, and March 3, 1863, the whole under all acts not to exceed $50,000,000							
June 30, '64	Authorized the issue of $400,000,000 of bonds redeemable at pleasure after not less than five nor more than thirty years, or, if deemed expedient, made payable at any period not more than forty years from date. Said bonds shall bear interest not exceeding 6 per centum, payable semi-annually in coin.	Five-twenties..	5 or 20 years.	Oct. 31, 1869	6 p. c	....	....	125,561,300 00
March 3, '63	Authorizes an issue of Treasury notes, not exceeding three years to run, interest not over 6 per cent., principal and interest payable in lawful money.	Treas'y notes	3 years.	3 years after date.	6 com int.	....	$17,250,000	122,394,480 00
June 30, '64	Also, authorizes the issue of and in lieu of an equal amount of bonds authorized by the first section, and as a part of said loan, not exceeding $200,000,000 in Treasury notes of any denomination not less than $10, payable at any time not exceeding three years from date, or, if thought more expedient, redeemable at any time after three years from date, and bearing interest not exceeding the rate of 7 3-10 per centum, payable in lawful money at maturity, or, at the discretion of the Secretary, semi-annually; and such of them as shall be made payable, principal and interest, at maturity, shall be a legal tender to the same extent as United States notes, for their face value, excluding interest, and may be paid to any creditor of the	Treas'y notes	3 years.	3 years after date.	6 com int.	Substitute red'd 5 % notes.	177,045,770	
		Treas'y notes	3 years.	3 years after date.	6 com int.	....	22,728,390	

STATEMENT OF THE INDEBTEDNESS OF THE UNITED STATES—(Continued.)

Acts of	Synopsis of Acts.	Title.	Length of loan.	When redeemable.	Rate of interest	Amount authorized.	Amount issued.	Amount outstanding.
June 30, '64	United States, at their face value, excluding interest, or to any creditor willing to receive them at par, including interest; and any Treasury notes issued under the authority of this act may be made convertible, at the discretion of the Secretary of the Treasury, into any bonds issued under the authority of this act, and the Secretary may redeem and cause to be cancelled and destroyed any Treasury notes or United States notes heretofore issued under authority of previous acts of Congress, and substitute in lieu thereof an equal amount of Treasury notes, such as are authorized by this act, or of other United States notes; nor shall any Treasury note bearing interest issued under this act be a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker, calculated or intended to circulate as money.	....	......	....	......	400,000,000		
		7-30 Treasury notes.	3 years.	3 years after Aug. 15, '64	7 30 %	....	234,400,000	
Jan. 28, '65.	Whole amount may be issued in bonds or Treasury notes, at the discretion of the Secretary.							488,647,425 00
March 3, '65	Authorized an issue of $600,000,000 in bonds or Treasury notes; bonds may be made payable at any period not more than forty years from the date of issue, or may be made redeemable at the pleasure of the Government, at or after any period not less than five years nor more than forty years from date, or may be made redeemable and payable as aforesaid, as may be expressed upon their face, and so much thereof as may be issued in Treasury notes may be made convertible into any bonds authorized by this act, and be of such denominations, not less than fifty dollars, and bear such dates, and be made redeemable or payable at such periods as the Secretary of the Treasury may deem expedient. The interest on the bonds payable semi-annually; on Treasury notes semi-annually, or annually, or at maturity thereof; and the principal or interest, or both, be made payable in coin or other lawful money; if in coin, not to exceed 6 per cent. per annum; when not payable in coin, not to exceed 7 3 10 per cent. per annum. Rate and character to be expressed on bonds or Treasury notes.	7 3 10 Treas'y notes, three issues.	3 yrs.	Aug. 14, '67 June 14, '68 July 14, '68.	7 3-10	600,000,000	....	
		Five-twenties	5 or 20 years.	Oct. 31, 1870	6 p. c.	....	....	181,427,250 00

April 12, '66 amendment to act of Ma. 3, '65	Authorizes the Secretary of the Treasury, at his discretion, to receive any Treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this is an amendment; and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he may think advisable, for lawful money of the United States, or for any Treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value which have been or which may be issued under any act of Congress, the proceeds thereof to be used only for retiring Treasury notes or other obligations issued under any act of Congress; but nothing herein contained shall be construed to authorize any increase of the public debt.	....	....	June 30, '70	6 p. c.	....	....	301,880,250 00
July 1, '62 & July 2, '64	Bonds issued to the Union Pacific Railroad Company in accordance with these acts.	Union Pacific R R. Co. bonds.	30 years	Jan. 15, 1895	6 p. c.	....	....	14,762,000 00
March 2, '67	For the purpose of redeeming and retiring any compound interest notes outstanding, the Secretary of the Treasury is authorized and directed to issue temporary loan certificates in the manner prescribed by section four of the act entitled "An act to authorize the issue of United States notes and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February twenty-fifth, eighteen hundred and sixty-two, bearing interest at a rate not exceeding three per centum per annum, principal and interest payable in lawful money on demand; and said certificates of temporary loan may constitute and be held by any National bank holding or owning the same, as a part of the reserve provided for in sections thirty-one and thirty-two of the act entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June three, eighteen hundred and sixty-four: Provided, That not less than two-fifths of the entire reserve of such bank shall consist of lawful money of the United States: And provided further, That the amount of such temporary certificates at any time outstanding shall not exceed fifty millions of dollars.							
								2,092,199,215 12

REPORT OF THE COMPTROLLER OF THE CURRENCY.

The Comptroller of the Currency presents a very interesting and elaborate report, but our limited space prevents our giving more than the following extracts:

Since the last annual report nine National banks have been organized, of which six are new associations, and three were organized to take the place of existing State banks, making the total number organized up to October one thousand six hundred and seventy-three.

The following table will exhibit the number of banks, with the amount of capital and circulation, in each State and Territory:

States and Territories.	Organization — Organized.	Organization — Closing or closed.	Organization — In operation.	Capital paid in.	Bonds on deposits.	Circulation issued.	In actual circulat'n
Maine	61	..	61	$9,085,000 00	$8,407,250	$7,519,386	$7,511,286
N. Hampshire	39	..	39	4,735,000 00	4,772,000	4,223,855	4,214,155
Vermont	40	..	40	6,510,012 50	6,474,000	5,722,780	5,710,480
Massach'setts	208	2	206	79,932,000 00	64,450,900	57,429,205	56,961,665
Rhode Island	62	..	62	20,364,800 00	14,185,600	12,508,670	12,470,220
Connecticut	83	1	82	24,584,220 00	19,740,000	17,556,585	17,452,823
New York	314	8	306	116,494,941 00	79,516,050	72,558,865	69,209,277
New Jersey	54	..	54	11,333,350 00	10,432,400	9,159,165	9,134,965
Pennsylvania	203	5	198	50,277,990 00	44,244,250	39,359,070	38,839,030
Maryland	32	..	32	12,590,202 50	10,065,750	8,959,600	8,894,900
Delaware	11	..	11	1,428,185 00	1,348,200	1,205,025	1,198,825
D. of Col'mbia	6	2	4	1,550,000 00	1,442,000	1,276,500	1,266,000
Virginia	20	1	19	2,500,000 00	2,435,800	2,149,980	2,146,680
West Virginia	15	..	15	2,216,400 00	2,243,250	1,994,750	1,988,550
Ohio	137	2	135	22,404,700 00	20,773,900	18,454,280	18,405,920
Indiana	71	2	69	12,867,000 00	12,524,350	11,042,240	11,015,040
Illinois	82		82	11,620,000 00	10,852,250	9,544,710	9,521,810
Michigan	43	1	42	5,070,010 00	4,357,700	3,825,125	3,822,425
Wisconsin	37	1	36	2,935,000 00	2,893,250	2,564,550	2,559,050
Iowa	47	2	45	3,992,000 00	3,709,150	3,237,705	3,230,090
Minnesota	15	1	14	1,660,000 00	1,682,200	1,486,000	1,477,500
Kansas	5	..	5	400,000 00	382,000	315,500	314,000
Missouri	19	2	17	7,559,300 00	4,074,100	3,519,290	3,437,620
Kentucky	15	..	15	2,885,000 00	2,660,000	2,345,970	2,342,020
Tennessee	13	1	12	2,100,000 00	1,536,550	1,233,040	1,232,040
Louisiana	3	1	2	1,800,000 00	1,408,000	1,245,000	1,245,000
Mississippi	2	..	2	150,000 00	75,000	66,000	66,000
Nebraska	3	..	3	250,000 00	190,000	170,000	170,000
Colorado	3	..	3	350,000 00	297,000	254,000	254,000
Georgia	9	1	8	1,700,000 90	1,383,500	1,224,000	1,224,000
N. Carolina	5	..	5	583,300 00	346,000	280,600	280,600
S. Carolina	2	..	2	585,000 00	170,000	153,000	153,000
Alabama	3	1	2	500,000 00	410,500	353,025	353,025
Nevada	1	.	1	155,000 00	155,000	131,700	131,700
Oregon	1	..	1	100,000 00	100,000	88,500	88,500
Texas	4	..	4	576,450 00	472,100	407,400	407,400
Arkansas	2	..	2	200,000 00	200,000	179,500	179,500
Utah	1	..	1	150,000 00	150,000	135,000	135,000
Montana	1	..	1	100,000 00	40,000	36,000	36,000
Idaho	1	.	1	100,000 00	75,000	43,900	43,900
Totals	1,673	34	1,639	$424,394,861 00	$340,675,000	$303,988,971	$299,103,996

From the number of banks organized, heretofore stated to be sixteen hundred and seventy-three, should be deducted thirty-four, leaving the number in active operation sixteen hundred and thirty nine.

The banks to be excluded are the following:

NEVER COMPLETED THEIR ORGANIZATION.

The First National Bank of Lansing, Mich.
The First National Bank of Penn Yan, N. Y.
The Second National Bank of Canton, Ohio.
The Second National Bank of Ottumwa, Iowa.

SUPERSEDED BY SUBSEQUENT ORGANIZATIONS WITH THE SAME TITLES.

The First National Bank of Norwich, Conn.
The First National Bank of Utica, N. Y.

IN THE HANDS OF RECEIVERS.

* The First National Bank of Attica, N. Y.
The Venango National Bank of Franklin, Penn.
The First National Bank of Washington, District of Columbia.
Since Oct. 1, 1866 :
The First National Bank of Medina, N. Y.
The Tennessee National Bank of Memphis, Tenn.
The First National Bank of Newton, Mass.
The First National Bank of Selma, Ala.
The First National Bank of New Orleans, La.
The National Unadilla Bank of Unadilla, N. Y.
The Farmers' and Citizens' National Bank of Brooklyn, N. Y.

IN VOLUNTARY LIQUIDATION.

Closed and Closing under the Provisions of Section 42 of the Act of June 3, 1864.

The First National Bank of Columbia, Mo.
The First National Bank of Carondelet, Mo.
The First National Bank of Leonardsville, N. Y.
The National Union Bank of Rochester, N. Y.

Since Oct. 1, 1866 :

The First National Bank of Elkhart, Ind.
The First National Bank of New Ulm, Minn.
The Farmers' National Bank of Richmond, Va.
The National Bank of the Metropolis, Washington, D. C.
The Farmers' National Bank of Waukesha, Wis.
The National Bank of Crawford County, Meadville, Penn.
The City National Bank of Savannah, Ga.

Closed for the Purpose of Consolidation with Other Banks.

The Pittston National Bank of Pittston, Penn., consolidated with the First National Bank of Pittston, Penn.

The Berkshire National Bank of Adams, Mass., consolidated with the First National Bank of Adams, Mass.

The Fourth National Bank of Indianapolis, Ind., consolidated with the Citizens' National Bank of Indianapolis, Ind.

Since Oct. 1, 1866 :

The Kittanning National Bank of Kittanning, Penn., consolidated with the First National Bank of Kittanning, Penn.

The First National Bank of Providence, Penn., consolidated with the Second National Bank of Scranton, Penn.

The National State Bank of Dubuque, Iowa, consolidated with the First National Bank of Dubuque, Iowa.

The Ohio National Bank of Cincinnati, Ohio, consolidated with the Merchants' National Bank of Cincinnati, Ohio.

BANK FAILURES.

Since the organization of the first National Bank, which occurred June 20, 1863, up to Oct 1, 1867, a period of four years and three months, ten National Banking Associations have failed.

Their aggregate capital is	$1,870,900

The aggregate liabilities to the public are :

Circulation	$1,187,900
† Deposits and other liabilities to the public	3,372,200
Total	$4,560,100

* The First National Bank of Attica is now closed, its circulation paid in full, with a dividend to creditors of sixty cents on the dollar.

† Government deposits are not included in this item. The only loss to the Government will result from the failure of the Merchants' National Bank of Washington, which has been investigated by a Congressional Committee.

The circulation will be paid in full, so that the public will suffer no loss from that source, and the bonds deposited as security for the same would to-day realize a surplus of some $250,000 that could be applied to the payment of general creditors. A careful estimate of the assets leads to the conclusion that they will realize a sum sufficient to pay 70 per cent. to creditors, leaving the total ultimate loss sustained by the public through their failure about $1,000,000.*

The National Banks are not exempt from the disasters which are common to all banking institutions and business corporations. No system of banking, however perfect, can protect the stockholders or the depositors from sudden loss; neither can the most stringent legislation, nor the greatest degree of watchfulness and care on the part of this office, prevent violations of law and neglect of the fundamental principles of good banking.

The failures of National Banks which have thus far occurred, may inevery instance be directly traced to the dishonesty or incompetency of bank officials, and the habitual violation of the plainest provisions of the law under which they were organized. In some cases old State banks, with capital impaired by bad debts, have been reorganized as National Banks, without sufficient scrutiny into their affairs, and such failures must be attributed to the old rather than the new system. The officers of these banks are prejudiced in favor of the State system of banking, and are not yet accustomed to the more stringent provisions of the National Currency Act. Such institutions will be liable to failure until their capital is restored by assessments, or they are forced into voluntary liquidation.

Yet, notwithstanding these things, if the failure of ten banks among the sixteen hundred and seventy three National Banks of the Union during the past four years had been three times greater, they would still in the aggregate not equal in magnitude the recent failure of the Royal Bank at Liverpool, or the Commercial Bank of Canada, institutions which were supposed to be conducted upon the most approved system of English banking.

QUARTERLY REPORTS.

Under existing provisions of law, banks are required to make a detailed statement of their affairs at the beginning of each quarter; and a statement showing the average of circulation, deposits, lawful money, and balances available for the redemption of their circulating notes, at the beginning of each month. This monthly statement is too vague and general to give any correct or reliable information as to the actual condition of the banks. A full and detailed report monthly would be of great value to the public, and would afford more constant insight into, and familiarity with, the management and condition of the banks, for the guidance of the Comptroller, than he can possibly obtain under the present system of quarterly reports.

It is known, understood and anticipated by all who have dealings with the banks, that they are in the habit of preparing systematically for making creditable exhibits on quarter day. It is certainly a point gained to know that the banks can make a good showing at least once every quarter; but it would be more satisfactory to know that they could do so at all times.

As an approximate to this, it is recommended that in lieu of the present quarterly reports and meagre monthly statements, a full exhibit of the affairs of each bank shall be required on the first Monday of each month.

REDEMPTIONS.

It is important to establish, as early as practicable, a system of redemptions which shall be comprehensive and thorough. The circulating notes of National Banks are uniform in design and appearance, and are equally well secured by the pledge of United States bonds. Their ultimate redemption is established beyond a question. It only remains to make them convertible. This can be done only by making them redeemable at a common centre, which should be the centre of trade.

When this is accomplished the amount of notes in circulation will be regulated strictly by the demand. When the volume is greater than is necessary to do the business of the country, the banks will be called upon to redeem the surplus, and it

* This estimate does not include amounts which may be recovered from stockholders on their personal liability.

will be retired. When trade is active, and more currency is required, the banks will expand their issues, and redemption will not be demanded until the season of activity is over. If all the banks are required to conform to a uniform standard of responsibility in this particular, the burden, being equally divided among all in proportion to their circulation, will be light, because the aggregate redemption at any given time will not exceed the surplus of notes in circulation; while, if such a rule is not established, the burden will be unequally divided, falling most heavily on those banks which conform to the highest standard, compelling them by the frequent return of their notes to contract their issues, while at the same time the remote banks will be tempted to undue expansion by the difficulty and expense of returning their notes for redemption. In this, as in all other cases, the inferior currency will be the more abundant.

Rigid, unfailing convertibility is the only safe rule, and, in the end, the most economical. It is an obligation which every National Bank owes to the system, to contribute its due share to the maintenance of a circulation of uniform value. This it can do only by keeping its own issues at par in the great centres of trade. Any plan which is not comprehensive, thorough, and rigid, will fail. Any half way, doubtful, voluntary arrangement will not answer the purpose. The Government, which authorizes the issue of bank notes for currency, has a right to require all banks to conform to the highest standard. The currency of a country belongs to the people; and the Government, which represents the people, should see to it that the people have the very best currency possible.

At present there is no immediate demand for the redemption of National Bank notes; but it would be one of the healthiest evidences of returning soundness in our financial affairs, if it should be inaugurated. If legal tenders should command a small premium, it would begin. It would be the first step towards specie payments, to see a bank note accepted and treated as a promise to pay, and not the payment itself. It would mark an era in legal tender notes—the date of their appreciation in value. At the same time it would be a healthy reminder to the banks that their circulation is a liability payable on demand.

TAXATION.

It has come to be a recognized principle in all legislation on the subject of revenue, that all taxes imposed upon the manufacture of any article, are ultimately paid by the consumer. A tax upon any business is paid by the customer. It is so with banks. While they should bear their full and fair share of the burden of taxation, there is a point beyond which taxation becomes oppressive—greater than the profits of legitimate business will justify. Under the impression that they are realizing inordinate profits, there is a disposition to tax them in proportion to their supposed gains.

The Federal taxation amounts to an average of about two or two and a half per cent. upon the capital employed: while by an express provision in the act of Congress, the shares are taxable by State authority. This is done upon the par value of the shares, at rates ranging from two to five per cent., which, added to the Federal taxes, makes a total tax of from four to seven per cent. upon the capital of National Banks.

Heretofore, the high premium upon the gold received in payment of interest on their bonds, together with large deposits growing out of the abundance of paper money, has enabled them to pay this tax without reducing their dividends below the point of a fair interest on the capital invested. But it is becoming more and more difficult for the banks to pay their taxes and their expenses without reducing their profits below the amount that would be realized upon an investment in Government securities.

The natural effect of this excessive taxation will be an incentive to charge higher rates of interest in loaning their money; and in the end, the business community will pay the tax in the shape of usury. There is a very general and commendable disposition on the part of National Banks to assume their fair share of necessary taxation. They do not ask to be relieved from that, nor that any exception shall be made in their favor. But the fact is becoming evident in several of the States, that the tax imposed is in excess of their ability to pay consistently with legitimate profits to their stockholders.

BONDS HELD IN TRUST.

The following is a statement of bonds held by the Treasurer of the United States in trust for National Banks on the 30th day of September, 1867, according to the books of the Treasurer of the United States and the books of the office of the Comptroller of the Currency:

Description of Securities.	For security of Circulating Notes.
Registered bonds—Act of Jan. 28, 1847	$50,000
Registered bonds—Act of March 31, 1848	33 000
Registered bonds—Act of June 14, 1858	1,055,000
Registered bonds—Act of June 22, 1860	181,000
Registered bonds—Act of Feb. 8, 1861	3,611,000
Coupon bonds—Act of Feb. 8, 1861	1,000
Coupon bonds—Act of March 2, 1861	43,250
Registered bonds—Acts of July 17 and Aug. 5, 1861	59,879,900
Coupon bonds—Acts of July 17 and Aug. 5, 1861	9,000
Registered bonds—Act of Feb. 25, 1862	66,750,450
Coupon bonds—Act of Feb. 25, 1862	49,200
Registered bonds—Act of March 3, 1863	36,301.550
Registered bonds—Act of March 3, 1864, 5 per cent	88,225,100
Coupon bonds—Act of March 3, 1864, 5 per cent	10,000
Registered bond—Act of June 30, 1864	39,013,750
Registered bonds—Act of July 1, 1862, and July 2, 1864	3,577,000
Registered bonds—Act of March 3, 1864, 6 per cent	3,503,500
Registered bonds—Act of March 3, 1865, first series	28,048,800
Registered bonds—Act of March 3, 1865, second series	10,312,500
Registered bonds—Act of March 3, 1865, third series	20,000
Total	$340,675,000

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurer's returns in the Treasury Department, on the 1st November and 1st December, 1867:

DEBT BEARING COIN INTEREST.

	November 1.	December 1.	Increase.	Decrease.
5 per cent. bonds	$198,845,950 00	$205,532,850 00	$6,686,900 00	$........
6 " '67 & '68	14,690,941 80	14,690,941 80	....	......
6 " 1881	283,676,600 00	282,731,550 00	....	945,050 00
6 " (5-20's)	1,267,898,100 00	1,324,412,550 00	56,514,450 00	....
Navy Pen. F'd 6 p.c.	13,000,000 00	13,000,000 00	....	....
Total	1,778,110,591 80	1,840,367,891 80	62,256,300 00	....

DEBT BEARING CURRENCY INTEREST.

	November 1.	December 1.	Increase.	Decrease.
6 per ct. (RR) bonds	$18,042,000 00	$18,601,000 00	$559,000 00	$.....
3-y'ars com. int. n'tes	62,558,940 00	62,249,360 00	....	309,580 00
3-years 7-30 notes	334,607,700 00	285,587,100 00	....	49,020,600 00
3 p. cent. certificates	11,560,000 00	12,855,000 00	1,295,000 00	....
Total	426,768,640 00	379,292,460 00	....	47,4[illegible]6,180 00

MATURED DEBT NOT PRESENTED FOR PAYMENT.

	November 1.	December 1.	Increase.	Decrease.
7-30 n. due Aug. 15, '67	$3,371,100 00	$2,855,400 00	$..........	$515,700 00
6 p. c. comp. int. n'es	9,316,100 00	7,065,750 00	....	2,250,350 00
B'ds of Texas ind'ty	262,000 00	260,0 0 00	....	2,000 00
Treasury notes (old)	163,661 64	163,011 64	....	650 00
B'ds of Apr. 15, 1842	54,061 64	54,061 64	....	....
Treas. n's of Ma. 3, 63	868,240 00	865,240 00	....	....
Temporary loan	4,168,375 55	2,880,900 55	....	1,287,475 00
Certifi. of indebt'ess	34,000 00	31,000 00	....	3,000 00
Total	18,237,538 83	14,178,363 83	....	4,059,175 00

DEBT BEARING NO INTEREST.

	November 1.	December 1.	Increase.	Decrease.
United States notes	$357,164,844 00	$356,212,473 00	$........	$952,371 00
Fractional currency	30,706,433 39	30,929,984 05	223,550 66	....
Gold certi. of deposit	14,514,400 00	18,401,400 00	3,887,000 00	....
Total	402,385,677 39	405,543,857 05	3,158,179 66	....

RECAPITULATION.

	$	$	$	$
Bearing coin interest	1,778,110,991 80	1,840,367,891 80	62,256,900 00	....
Bearing cur'y interest	426,768,640 00	379,292,460 00	....	47,476 180 00
Matured debt	18,237,538 83	14,178,363 83	....	4,059,175 00
Bearing no interest	402,385,677 39	405,543,857 05	3,158,179 66	....
Aggregate	2,625,502,848 02	2,639,882,572 68	13,879,724 66	....
Coin & cur. in Treas	133,998,398 02	138,176,820 93	4,178,422 91	....
Debt less coin and cur	2,491,504,450 00	2,501,205,751 75	9,701,301 75	....

The following statement shows the amount of coin and currency separately at the dates in the foregoing table:

COIN AND CURRENCY IN TREASURY.

	November 1.	December 1.	Increase.	Decrease.
Coin	$111,540,317 35	$100,690,645 69	$..........	$10,849,671 66
Currency	22,458,080 67	37,486,175 24	15,028,094 57	....
Total coin & curre'y	133,998,398 02	138,176,820 93	4,178,422 91	$..........

The annual interest payable on the debt, as existing November 1 and December 1, 1867, (exclusive of interest on the compound interest notes) compares as follows:

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	Nov. 1.	Dec. 1	Increase.	Decrease.
Coin—5 per cents	$9,942,267 50	$10,276,642 50	$334,375 00	$.........
" 6 " '67 &'68	881,456 51	881,456 51	....	....
" 6 " 1881	17,020,596 00	16,963,893 00	....	56,703 00
" 6 " (5-20's)	76,073,886 00	79,464,753 00	3,390,867 00	....
" 6 " N. P. F	780,000 00	780,000 00	....	....
Total coin interest	$107,698,206 01	$108,366,745 01	$3,668,539 00	$.........
Currency—6 per cents	$1,082,520 00	$1,116,060 00	$33,540 00	$.........
" 7.30 "	24,426,362 10	20,847,858 30	....	3,578,503 80
" 3 "	346,800 00	885,650 00	28,850 00	....
Total currency interest	$25,855,682 10	$22,349,568 30	....	$3,506,113 80
Aggregate interest	130,553,888 11	130,716,313 31	162,425 20	....

The aggregate condition of the debt on the first of each month of the current year is shown in the following summary:

1867.	Paying coin interest.	Pay'g curr'y interest	Matured debt.	Not bearing interest.	Total debt.
January	$1,400,490,742	$832,379,440	$16,508,590	$426,673,364	$2,675,062,505
February	1,420,145,542	519,672,740	15,791,454	430,163,804	2,685,773,540
March	1,464,855,192	787,028,880	14,576,687	424,126,528	2,690,587,289
April	1,499,381,592	734,780,780	12,285,6[illegible]8	417,225,344	2 663,713,374
May	1,541,203,342	697,115,710	11,932,540	418,623,506	2,668,875,099
June	1,602,643,942	655,691,765	9,713,020	412,991,792	2,687,040,519
July	1,637,890,642	625,803,905	8,997,596	419,507,072	2,692,299,215
August	1,678,906,692	574,964,855	15,636,816	417,177,533	2,686,685,896
September	1,715,687,743	495,971,625	19 440,376	410,019,717	2,641,1[illegible]9,464
October	1,745,196,142	461,074,680	18,221,257	405,897,377	2,630,389,456
November	1,778,110,992	426,768 640	18,237,539	402,385,677	1,625,502,84[illegible]
December	1,840,367,8[illegible]2	379,292,460	14,178,364	405,543,857	2,639,382,573

The following summary presents an exhibit of the total debt, the amount of coin and currency in the Treasury, and the debt less cash in hand at the dates respectively:

		Cash in Treasury			
1867.	Total debt.	Coin.	Currency.	Total.	Debt less Cash.
January	$2,675,062,505	$97,841,963	$33,895,765	$131,737,333	$2,543,325,172
February	2,685,773,540	97,354,604	45,069,817	142,423,791	2,543,349,749
March	2,690,585,289	107,271,031	52,253,368	159,823,399	2,530,763,890
April	2,663,713,374	105,956,477	34,328,827	140,285,304	2,523,428,070
May	2,668,875 099	114,250,444	33,838,558	148,089,002	2,520,786,096
June	2,687,040,519	98,758,417	72,666,165	181,424,582	2,515,615,937
July	2,692,199,215	108,419,638	71,979,564	180,[illegible]99,202	1,511,800,013
August	2,866,685,896	102,905,174	72,474,296	175,379,470	2,511,306,426
September	2,641,119,460	101,263,020	47,073,074	148,336,093	2,492,783,366
October	2,630,289,[illegible]56	103,298,66[illegible]	31,813,349	135,112,009	2,495,277,447
November	2,625,502,848	111,540,317	22,458,081	133,998,398	2,491,504,450
December	2,639,382,573	100,690,646	37,486,175	138,176,821	2,501,205,752

DEBT OF BROOKLYN CITY.

The funded debt as ascertained from the comptroller's books by a committee of the Joint Board of Aldermen and Supervisors, is reported to have amounted on the 2d July, 1867, to $12,361,919 92, at which date the Sinking Fund and other means on hand applicable for the discharge of this indebtedness amounted to $1,213,040 61, which being deducted leaves the net indebtedness at $11,147,869 31. With little exception this debt has been made on account of the city waterworks, the new park and other important improvements all tending to add to the taxable value of property within the city limits. The following list describes the several issues and the amounts now outstanding :

DESCRIPTION.	Rate p.c.	When issued.	Date of Maturity.	Amount. outstanding.
City Hall Loan	6	1846	Jan. 1, '68-'70	$30,000 00
Washington Park Loan	6	1848	" 1869	121,540 42
City Hall Loan	6	1849	" '72-'76	50,000 00
do. do	6	1850	" 1875	15,000 00
Water Loan	6	1853	" 1873	55,000 00
Debts of Williamsburgh Loan	6	1855	" 1875	150,000 00
Current Expenses Loan	6	1851	" 1871	150,000 00
Williamsburg City & Village B'ds	6	var.	var. '68-'70	10,379 50
Mount Prospect Square	6	1856	Jan. 1, 1887	90,000 00
Williamsburgh Streets Liabilities Loan	6	1857	" 1872	92,000 00
Williamsburg Local Improvement Loan	6	1859	" 1879	100,000 00
Deficiency Loan	7	1861	Nov. 1, 1868	5,000 00
Third Street Improvement Loan	6	1861	July 1, 1881	167,000 00
War Loan	6	1862	Jan. 1, 1868	115,000 00
Atlantic ave. Improvement Loan	6	1862	Dec. 31, 1871	73,000 00
Fourth ave. Improvement Loan	6	1861	July 1, '62-'95	280,000 00
Williamsburg Local Improvement Loan	6	1861	" 1881	38,000 00
National Guard & Volunteer Firemen Loan	7	1864	Jan. 1, 1881	27,000 00
Soldiers' Aid Fund Bonds	7	1865	" '85-'94	552,000 00
Public Park Loan	6	1864	" 1924	1,217,000 00
do. do	7	1866	" 1916	1,814,000 00
Brunswick avenue Loan	7	1865	July 1, '71-'90	222,000 00
South Seventh street Loan	7	1866	" '71-'90	322,000 00
Atlantic avenue Extension Loan	7	1866	" 1869	2,000 00
National Guard Bonds Loan	6	1865	Jan. 1, 1875	32,000 00
Go a 's Canal Improvement L'n.	7	1866	" '68-'86	167,000 00
Water Loan	7	'56-'59	July 1, '81-'91	6,465,000 00
Total indebtedness of the city				$12,361,919 92
Sinking Fund, &c				1,213,040 61
Actual indebtedness, July 2, 1867				$11,147,869 31

The following table will more clearly define the nature of the aggregate debt :

Bonds issued for water works	$6,465,000 00	
" " Parks	3,242,540 42	
" " City hall	150,000 00	
" " Street improvements	1,325,000 00	
		$11,182,540 42
Bonds issued for current expenses	$443,379 50	
" " Bounties, &c	726,000 00—	1,179,379 50
Total indebtedness as above		$12,361,919 92

Of the above debt the sum of $2,785,919 92 pays interest at the rate of 6 per cent., and $9,576,000 00 at the rate of 7 per cent. It will, however, be seen that most of the principal and interest is only nominally payable by the city ; the water debt is already, or soon will be, self-sustaining, and the debts for street improvements will be paid from local assessments. The real debts chargeable on the city are those for parks, the city hall, bounties and current expenses, in all $4,571,919 92. This shows that Brooklyn, with its 300,000 inhabitants, has little reason to complain of heavy burdens. We have under preparation a full analysis of the finances of the city for several years, which will appear in the MAGAZINE at an early day.

OUR LATE MINING ENTERPRISES.

In 1864 Wall street was in a furor of excitement respecting mining enterprizes. Colorado, Nevada and Idaho were declared to be underlaid with gold and silver; and the Lake Superior region was heralded as surpassingly rich, not only in iron and copper ores, but even in silver also. Capitalists made pilgrimages to these far off El Dorados, and returned with the most glowing accounts of rich lodes, and of untold wealth within the easy reach of organized enterprise. These representations received a certain degree of countenance from the operations of a few mines in the localities, which certainly then appeared to be realising a handsome product. Large tracts of "gold lands" were bought up by Eastern speculators; and companies were organized, to which these lands were sold at fabulous prices. The nominal capital of the mining companies formed during welve months of this excitement amounted to some hundreds of millions. The shares were put afloat at a slight per centage upon the par value, and were eagerly taken up by the credulous public, upon the supposition that when the mines were "worked" their stock would rapidly rise in value.

We call attention to these reminiscences merely to ask what has become of these mining enterprises? The silence as to their operations is ominous. For a long time, we were told that the companies were waiting to satisfy themselves as to the best appliances for separating the ores, a variety of new processes being then introduced. This excuse for inactivity has lost its force by the sheer lapse of time. The Colorado Companies now tell us that they are waiting for the opening of the Pacific railroad to their vicinity, as affording cheaper transportation and lowering the costs of labor. How much this excuse will prove to be worth remains to be seen. The fact, however, remains that of the companies formed during the excitement of three or four years ago, not one in twenty is actually operating its property; and perhaps not more than that proportion has really the capital requisite for working purposes. As to the stocks, they are, with a few exceptions, utterly worthless. For a time, few of the companies were represented in the New York Mining Board, and their stocks served well the functions of speculative foot balls; but now the Mining Board is forsakeen, the brokers are seeking new employments and the stocks are scarcely heard of. We have no doubt that there are exceptional cases in which these companies have properties of value, and which, if well worked, would pay a reasonable profit. But as to a *large* majority of them, they are practically swindles, and were established in the first instance more for the purpose of securing a market for lands bought by unprincipled speculators than as forming the basis of a profitable enterprise. There can be little doubt that there is a large amount of gold in Colorado, and of silver in Nevada and of copper in Michigan; but these ores can never be raised profitably except by an ampler capital and a riper experience than have been associated with the lately formed companies. Perhaps some day ere long, capital and experience, well allied, may take up the debris of some of the best of these wrecks, and thereupon found a permanent and profitable interest.

AMERICAN FOOTHOLDS IN CHINA.

We have repeatedly urged the importance to American interests in China of obtaining concessions of territory sufficient for commercial purposes and for the convenience of our steam marine and war ships. Other nations have secured such concessions, and derive great advantages therefrom, and this fact might with much force be urged as a reason why the United States alone should not be compelled to rely upon mere leases for the facilities her commerce demands. This subject will be one of the points urged when the revision of the treaties with China comes up in 1868, and there are some intimations that it has already had the attention of our Government. The statement is explicitly made by Eastern journals that the Government is now negotiating for the purchase or cession of Woosung, which is said to be a flat neck of land at the junction of the Whangpo and Yang-tze-Kiang rivers, presumably not far from Shanghae. The American commercial and naval station in China could not be better located than near the mouth of the Yang-tze-Kiang, which is the Amazon of China, and the artery of its greatest commerce, flowing past numerous large cities, through a fertile and populous valley, and already traversed by a fine American fleet of steamers, which connect with a line of ocean steamers sailing from Shanghae and Hong Kong to Japan and California. It is one of the plainest dictates of commercial interest that we should have near the outlet of the Yang-tze-Kiang a piece of land we can call our own, on which American citizens can establish agencies under the protection of their own police, and where they can build and live free from the restrictions that now embarrass them. England obtained such concessions by force. The United States, which have no schemes of foreign conquest, and enjoy the friendship and confidence of the Chinese in an eminent degree, could reasonably ask them on the score of justice and comity.---*San Francisco Bulletin.*

TAXABLE PROPERTY IN SAN FRANCISCO.

The annual tax-roll for this year aggregates the value of taxable real estate in San Francisco, city and county, at \$57,880,468; of personal property, \$28,556,806—total so far, \$86,437,274. The figures for 1865-'66 were: Real estate, \$49,137,812; personal property, \$39,129,145—total, \$88,266,457. This shows an apparent falling off of \$1,823,823, but there is a supplemental assessment roll of personal property yet to be handed in by the Assessor. This will contain, principally, a list of mortgagees, and the gross amount of the enumeration will very nearly equal \$17,000,000. This sum added to the personal property already listed gives a total under that head of \$45,556,806, being an increase in the amount of personal property for 1865-'66 of \$6,427,661, while in real estate the increased valuation over that of last year is \$8,743,156. Assuming that the amount of the supplemental roll is not over estimated—and the figures are given on the authority of a gentleman intimately connected with the municipal finances—there will be an aggregate increase in the valuation of real and personal property and improvements for 1866-'67 of \$15,170,817.

COMMERCIAL CHRONICLE AND REVIEW.

Decline in Prices—Monetary Affairs—Rates of Loans and Discounts—Volume of Shares at the Stock Boards—Bonds sold at New York Stock Exchange Board—Course of Consols and American Securities at London—Prices of Government Securities at New York—Prices of Compound Interest Notes at New York—Closing quotations at Regular Board—Receipts and Shipments of Coin and Bullion at New York—Movement of Coin and Bullion at New York—Course Gold at New York—Course of Foreign Exchange at New York.

The general trade of the city showed a partial improvement during November. The previous general decline in prices and the protracted abstinence from buying, induced a moderate assorting demand for goods from all parts of the country, and especially from the West; merchants, therefore, have been enabled to sell down their Fall stocks to a conservative limit, although, as a rule, at unsatisfactory prices. The result of the season's wholesale trade, in nearly every class of merchandise, has been discouraging. Heavy losses have been incurred through the fall in values; and though not to an extent to cause general embarrassment, yet resulting in much caution in credits and a disposition to curtail operations. The importing interest has sustained its full share of injury. The importations have been much below those for the Fall season of last year, yet they have proved to be in excess of the wants of the people, and consequently a large amount of goods has had to be sold at a heavy discount from cost. The losses among the importers of groceries have been especially severe, and several firms of long standing have failed.

Monetary affairs have continued in an unsettled condition, although steadier than in October. The funds taken West, earlier in the season, for moving the grain crops, have been partially returned; but most of the currency thus received from Chicago has been sent to Cincinnati for the purchase of the hog crop, or to the South in payment for cotton. The cotton movement, however, has been much more moderate than was expected. The receipts at theports have been, until lately, below those for the corresponding period of last year, notwithstanding that the crop is larger, a fact due, perhaps, principally to sickness in the extreme Southern States but in part, also, to the declining tendency of the Liverpool market and to the expectation that Congress would promptly repeal the cotton tax. Owing to this light movement and to the low price of the staple the amount of funds required for moving the crop has been much less than was expected. Demand loans have been comparatively easy, with the exception of a few days of artificial stringency; but the full legal rates has generally prevailed. The discount market has continued very active and stringent. It appears to have been one of the effects of currency contraction to induce a freer use of mercantile credits; and the banks, not having anticipated the change, have been only partially able to meet the demand for discounts, while private discounters, alarmed at the losses of merchants and the frequency of failures, have been little disposed to buy paper. Under these circumstances, really prime notes have not been negotiable, outside the banks, at better than 7½@10 per cent.

Business in Wall-street has been dull, and very unsatisfactory to brokers. The public have little surplus for investment in securities or for employment in speculative ventures, but are rather sellers of stocks and bonds; and this absence of commission orders has driven the dealers into speculations on their own account, a condition of the stock market always unsatisfactory. The total transactions at both the regular and public boards for the month, amount to 1,359,168 shares, against 2,339,043 shares for the same month of 1866. Prices have been generally sustained by the operations of strong combinations upon a few leading stocks, without which support values must have fallen heavily.

The following are the rates of loans and discounts for the month of October :

RATES OF LOANS AND DISCOUNTS.

	Nov. 1.	Nov. 8.	Nov. 15.	Nov. 22.	Nov. 30.
Call loans	6 @ 7	6 @ 7	6 @ 7	7 @—	7 @—
Loans on Bonds and Mortgage	—@ 7	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos	7 @ 9	7 @ 9	7 @ 8	8 @—	7½@ 8
Good endorsed bills, 3 & 4 mos	9 @12	9 @12	8 @12	8 @12	8 @12
" " single names	11 @12	11 @12	11 @12	11 @12	11 @12
Lower grades	15 @25	15 @25	15 @25	15 @25	15 @25

The following table shows the volume of shares sold at the New York Stock Exchange Board and the Open Board of Brokers in the three first quarters, and in November, and thetotal since January 1 :

VOLUME OF SHARES SOLD AT THE STOCK BOARDS.

Classes.	1st Quarter.	2d Q'rter.	3d Qr'ter.	November.	Since Jan. 1.
Bank shares	7,815	11 153	9,070	3,221	33,145
Railroad "	5,079,773	4,910,358	4,265,793	1,002,516	16,795,017
Coal "	67,800	25,405	40,568	3,806	141,659
Mining "	123,857	91,188	92,594	13,600	341,039
Improv'nt "	81,269	103,435	68,649	17,120	283,673
Telegraph "	117,973	153,118	284,493	79,514	764,832
Steamship "	228,683	215,873	132,450	117,719	742,062
Expr'ss&c "	17,674	104,480	117,279	121,672	408,888
At N. Y. Stock Ex. B'd	2,072,406	2,074,351	2,013,966	626.148	7,566,834
At Open Board	3,652,443	3,540,659	2,996,930	723,020	11,943,481
Total 1867	5,724,849	5,615,010	5,010,896	1,359,168	19,510,315
Total 1866	6,172,087	5,842,110	4,333,801	2,339,043	21,598,266

The amount of Government bonds and notes, State and city bonds, and company bonds, sold at the New York Stock Exchange Board in the three first quarters and in November, and the totalsince January 1, is shown in the statement which follows :

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1st quarter.	2d quarter.	3d Quarter.	November.	S'ce Jan. 1.
U. S. bonds	$18,702,650	$40,388,350	$43,284,050	$10,396,500	$130,421,050
U. S. notes	4,792,480	3,347,600	10,321,550	1,203,150	22,706,680
St'e & city b'ds	8,884,100	7,601,650	7,954,300	3,454,500	31,776,050
Company b'ds	2,216,200	2,367,700	2,184,000	827,500	8,481,600
Total 1867	$34,595,430	$53,705,300	$63,743,900	$15,881,650	$193,391,380
Total 1866	32,600,500	36,414,350	44,050,100	15,337.100	146,414,600

The closing prices of Consols and certain American securities (viz. U. S. 6's, 5-20's 1862. Illinois Central and Erie Railway shares, and Atlantic and Great Western consolidated bonds) at London, on each day of the month of November, are shown in the following statement :

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON - NOVEMBER, 1867.

Date.	Cons for mon.	American securities. U. S. 5-20s	Ill.C. sh's.	Erie shs.	A. & G.W	Date.	Cons for mon.	American securities. U.S. 5-20s	Ill.C. sh's.	Erie sh's.	A. & G.W
Friday 1	94⅝	70	80⅛	47⅛	.	Thurs 21	94⅜	70⅝	85¼	46½	....
Sat'day 2	94½	70⅛	81	47	20½	Friday 22	94⅜	70¾	85½	46⅝	....
Sunday 3	....	....	. . .	....	....	Sat'day 23	94	70⅝	85½	47	....
Monday 4	94⅛	69¾	81	46¾	....	Sunday 24	....	....	....	...	....
Tues 5	94¼	70¼	81⅛	46½	....	Monday 25	94⅜	70¼	85¼	46½	....
Wedne 6	94½	70⅜	81⅞	47	....	Tuesd y 26	94½	70½	85¼	47	....
Thurs 7	94⅜	70¾	81⅞	46¾	....	Wedn'y 27	94½	70⅝	86	48	....
Friday 8	94⅜	70⅞	82½	46¾	....	Thurs 28	94½	70¾	86¼	47	....
Sat'day 9	94½	70⅞	82⅝	46¾	....	Friday 29	95	71	87	47½	....
Sunday 10	....	....	....	....	....	Sat'day 30	94¾	71	87¾	47⅝	....
Monday 11	94⅜	70⅞	82⅞	46¾	....		....	....	....	...	....
Tues 12	94⅝	70⅞	84⅛	47	....						
Wedne 13	94¾	70¾	84½	47	....	Highest	95	71	87¾	48¼	20½
Thurs 14	94¾	70¾	84¼	46⅞	....	Lowest	94⅛	69¾	80⅛	46⅛	19¼
Friday 15	94⅝	70⅜	84¾	47¼	....	Range	0⅞	1¼	7⅝	1⅜	1¼
Sat'day 16	94⅝	70⅝	85⅛	48							
Sunday 17	....	....	....	...	....	Low } Since Jan. 1	90	67¾	72⅜	35¾	19¼
Monday 18	94½	70¾	84⅞	48¼	19½	Hig } Since Jan. 1	96	75½	87¾	48⅛	26
Tues. 19	94⅝	71	84¾	47½	...	Rng } Since Jan. 1	6	7¾	15⅜	12⅛	6¾
Wedne. 20	94½	70¼	85	47⅝	....						

The lowest and highest quotations for U. S. 6's (5-20 years) of 1862 at Frankfort in the weeks ending Thursday, have been as folows :

	Nov. 7.	Nov. 14.	Nov. 21.	Nov. 28.
Frankfort	76 5-16	75⅞	76 1-16	75⅝

United States securities have sympathized with the general dulness in the stock market, and the leading bonds were about ½ per cent. lower at the close of the month than at the opening, notwithwithstanding the accumulation of intere-t during the interim, being equal to about ⅝ per cent Ten-Forties, however, owing to a foreign demand, have advanced about 1½ per cent. The decline is principally due to the fall in the price of gold, without a corresponding advance in Five-Twenties abroad; and perhaps partially also to a falling off in the regular investment demand. The total sales of United States bonds and Treasury notes at the Stock Exchange for the month amount to $11,500,000.

The daily closing prices of the principal Government securities at the New York Stock Exchange Board, as represented by the latest sale officially reported, are shown in the following statement :

PRICES OF GOVERNMENT SECURITIES AT NEW YORK, NOVEMBER, 1867.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	5's, 10-40 yrs. C'pn.	7-30. 2d sr. 1860
Friday 1	112¼	111⅞	108½	105½	106⅛	107½	107½	100⅝	105⅜
Saturday 2	112¼	111⅞	108⅜	105	106¼	107⅝	107⅜	100½	105½
Sunday 3	.....	.....	.....	.....	.....	.....	.....	.....	.....
Monday 4	112	.....	108⅜	105⅛	106¼	107½	107½	100¾	105⅝
Tuesday 5	112⅛	.....	108¼	.....	106⅛	107¼	107⅝	100⅝	105½
Wednesday 6	112¼	.....	108¼	105½	106¼	.....	107⅝	101	105½
Thursday 7	.....	.....	.....	105⅜	106⅛	107⅝	.....	101⅛	.....
Friday 8	.....	.....	108¼	105⅜	106⅛	107½	107⅝	101⅜	105⅜
Saturday 9	112⅜	111⅞	108⅛	105¼	106⅛	107⅜	107⅝	101⅞	105½
Sunday 10	.....	.....	.....	.....	.....	.....	.....	.....	.....
Monday 11	.....	.....	108	105	.....	107⅜	107½	101⅝	105⅜
Tuesday 12	112⅜	111⅞	108⅛	105⅛	106⅛	107½	107⅝	102¼	105¼
Wednesday 13	112⅞	111¾	108¼	105⅝	106⅜	107⅝	107⅞	102½	105½
Thursday 14	113	112⅝	108⅝	105⅝	106½	107⅞	107⅞	102⅜	105½
Friday 15	113	.....	108⅝	.....	106	107⅝	107¾	102¼	105⅜
Saturday 16	113⅛	.....	108¼	.....	106½	107¾	107⅜	102¼	105⅜
Sunday 17	.....	.....	.....	.....	.....	.....	.....	.....	.....
Monday 18	113¼	.....	108¼	105⅛	106⅛	107⅝	107⅝	102⅛	105⅜
Tuesday 19	113¼	112¾	108⅛	105⅜	106¼	107⅝	107⅝	102⅛	.....
Wednesday 20	113¼	112¾	.....	.....	106⅛	107½	107½	101⅞	105¼
Thursday 21	...	112¾	108	105⅛	106¼	107⅝	107⅝	101¾	105⅛
Friday 22	113	.....	108⅛	.....	106⅛	107½	107½	101½	105⅛
Saturday 23	.....	112¾	108⅛	.....	.....	107⅝	107¾	101¾	105¼
Sunday 24	.....	.....	.....	.....	.....	.....	.....	.....	.....
Monday 25	.....	.....	108⅛	.....	106	107⅝	107⅝	102¼	105¼
Tuesday 26	113	.....	108	105⅛	106	107⅞	107⅞	102⅛	105¼
Wednesday 27	113⅛	.....	107⅞	105⅛	105⅞	107⅞	107⅞	102½	105⅜
Thursday 28				(Thanksgiving.)					
Friday 29	.....	.....	108	105¼	.....	107⅞	108	102¼	105½
Saturday 30	113	.....	108	105⅛	105⅞	108	108	102⅛	105½
First	112¼	111⅞	108½	105½	106⅛	107½	107½	100⅝	105½
Lowest	112	111⅞	107⅞	105	105⅞	107¼	107⅜	100⅝	105⅛
Highest	113¼	112¾	108⅝	105⅝	106½	108	108	102½	105⅝
Range	1¼	1	0¾	0⅝	0⅝	0¾	0⅝	2⅛	0½
Last	113	112¾	108	105⅛	105⅞	108	108	102⅛	105½

The quotations for Three-years' Compound Interest Notes on each Thursday of the month have been as shown in the following statement :

PRICES OF COMPOUND INTEREST NOTES AT NEW YORK, NOVEMBER, 1867.

Issue of	Nov 7.	Nov. 14.	Nov. 21.	Nov. 28.
December, '64	119⅛@119⅜	119¼@119½	119⅛@119⅜	119⅛@119⅜
May, 1865	117⅜@117⅝	117⅜@117⅝	117¼@117½	117⅛@117⅜
August, 1865	116½@116¾	116½@116¾	116½@116¾	116¼@116½
September, '65	116 @116¼	116 @116¼	116 @116¼	115¾@116
October, 1865	115¾@116	115¾@116	115¾@116	115½@115¾

The first series of figures represents the buying and the last the selling prices at first-class brokers' offices.

The following are the closing quotations at the regular boards, Friday of the last seven weeks.

	Nov. 1.	Nov. 8.	Nov. 15.	Nov. 22.	Nov. 29.	Dec. 6.	De 13
Cumberland Coal	24¾	24½	....	27½	....	....	27
Quicksilver	18½	16¾	16½	16¾	15	16½	21
Canton Co.	43¾	42½	45¾	....	45¾	44½	...
Mariposa pref	....	....	....	....	....	....	15
New York Central	112¾	112⅝	112⅝	113¾	113⅝	114⅛	116⅛
Erie	72	72⅝	73⅞	71⅛	71⅜	71⅛	72⅞
Hudson River	125½	125	126½	123½	125½	125½	132⅛
Reading	97	96⅛	98	96¼	95⅞	95⅛	06
Michigan Southern	78¾	79	81½	86	80	80⅞	82
Michigan Central	....	109	....	....	....	110	....
Cleveland and Pittsburg	....	81⅞	84½	....	88¾	82	84
Cleveland and Toledo	104¾	102¾	103⅞	....	102¾	102¾	103⅜
Northwestern	47⅝	48	53	57½	58	63⅜	58⅛
" preferred	65½	63¾	65½	64¾	67⅞	66⅜	67
Rock Island	96	95⅝	96⅞	96	96	95¾	97¾
Fort Wayne	96⅛	96⅝	98⅜	97½	97¾	97½	99⅜
Illinois Central	125½	126½	13[illegible]	....	131	135	....
Ohio and Mississippi	....	....	....	....	....	....	26

The receipts and shipments of coin and bullion at New York in the three first quarters, and in the month November, with the total since January 1, have been as shown in the following statement :

RECEIPTS AND SHIPMENTS OF COIN AND BULLION AT NEW YORK.

	First quarter.	Second quarter.	Third quarter.	Month of November.	Since Jan. 1.
Rec'pts f'm California	$6,109,861	$6,899,555	$9,240,679	$513,855	$25,103,234
Imp'ts f'm for'gn ports	409,077	1,147,619	942,519	181,319	3,043,323
Total receipts	$6,518,938	$8,047,174	$10,163,198	$695,174	$28,146,557
Exp'ts to foreign ports	6,566,958	18,028,709	17,436,446	1,733,261	44,947,405
Excess of exports	$48,020	$9,981,535	$7,253,248	$1,038,087	$16,800,848
Excess of receipts	....	....	....	....	....

The following statement shows the receipts and exports in November and since January 1, for seven years:

	California Receipts		Foreign Imports		Foreign Exports	
	Nov.	Since Jan. 1.	Nov.	Since Jan. 1.	Nov.	Since Jan. 1.
1867	$513,855	$25,103,234	$181,319	$3,043,323	$1,733,261	$44,947,405
1866	1,669,391	37,108,703	802,937	9,225,936	3,756,690	59,266,430
1865	1,952,675	18,185,503	236,526	1,996,227	2,046,180	27,251,522
1864	882,276	10,702,124	161,727	2,150,646	7,267,662	43,721,444
1863	713,021	11,349,632	103,144	1,409,318	5,438,363	44,495,[illegible]13
1862	2,651,211	23,644,160	109,708	1,311,961	6,213,251	55,763,909
1861	2,584,342	31,801,560	908,825	36,734,883	48,385	3,343,237

The following formula furnishes the details of the general movement of coin and bullion at the port for the past three quarters and the month of November, and since January 1 :

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1st quarter.	2d quarter.	3d quarter.	Nov.	Since Jan. 1.
Rec's from California	$6,109,861	$6,899,555	$9,240,679	$513,855	$25,103,234
Imp's f'm for'n ports	409,077	1,147,619	942,519	181,319	3,043,323
Coin int'st p'd by U.S	10,838,303	17,793,025	19,644,397	16,969,514	65,432,596
Total repo'd sup'y	$17,357,241	$25,840,199	$29,827,595	$17,663,688	$93,579,115
Exp. to for'n ports	$6,566,958	$18,028,709	$17,436,446	$1,733,087	$44,947,405
Customs duties	33,170,628	27,185,886	34,665,968	7,304,934	111,410,402
Total withdrawn	$39,737,586	$45,214,595	$52,102,414	$9,039,095	$156,357,807
Excess of rep'd sup'y	$........	$........	$........	$8,624,593	$........
Excess of withdra'ls	22,380,345	19,374,396	22,274,819	....	62,778,290
Bank specie increas'd	... ...	....	1,727,167	10,411,726	3,387,668
Bank specie decreas'd	4,662,613	753,613	....	250,562	....
Deficit in reported supply, made up from unreported sources	$17,717,732	$18,620,783	$24,001,986	$1,625,969	$66,165,958

The course of the gold premium has been steadily downward ; the price having opened at 141¼ and closed at 138, with a strong declining tendency. The market appears to have been subject to a strong reaction from the upward excitement caused by the threatening aspect of European politics and the relations

between Congress and the Executive. At the same time, about $25,000,000 of coin interest became payable on the 1st ult by the Treasury; while on the first of January nearly $30,000,000 of gold becomes due to the public creditors. The assembling of Congress has dissipated much of the apprehension that measures of inflation would be adopted, and has encouraged the expectation of a generally conservative course of legislation upon financial questions. These appear to have been the principal influences tending to lower the premium. The receipts of treasure from California have been unusually light, being only $513,000 against $1,669,000 for the same month of last year. This may be due partially to shipments of treasure having been made to the East from San Francisco on New York account since the opening of steam communication with Hong Kong, but it is probably principally attributable to the shipments of California wheat and flour to New York having contributed so largely to liquidate the indebtedness of California to this city. The statement which follows shows the daily fluctuations in the price of American gold coin at the Gold Room during the month of November:

COURSE OF GOLD AT NEW YORK—NOVEMBER, 1867.

Date.		Openi'g	Lowest.	High'st	Closing.	Date.	Openi'g	Lowest.	High'st	Closing.
Friday	1	140¾	140⅝	140⅞	140¾	Thursday 21	139⅞	139⅛	139⅞	139⅛
Saturday	2	141¼	140¾	141⅛	140⅞	Friday 22	138⅞	138⅞	139¼	138⅞
Sunday	3	.....	.....	.....	.....	Saturday 23	139¼	139⅛	140⅛	140
Monday	4	140⅜	139¾	141¼	140¾	Sunday 24	.....	.....	.....	.....
Tuesday	5	140⅜	139½	140⅜	139¾	Monday 25	140⅝	139¾	140⅞	140
Wednesday	6	138⅞	138⅝	139¼	139⅛	Tuesday 26	139⅞	139⅝	140	139¼
Thursday	7	138¾	138⅛	139⅛	138⅝	Wednesday 27	139½	139¼	139¾	139⅛
Friday	8	138⅞	138⅞	139¼	138⅝	Thursday 28	(Tha	nksg	iving	.)
Saturday	9	139¼	138⅛	139¼	138¾	Friday 29	139⅛	139	139⅝	139
Sunday	10	.....	.....	.....	.....	Saturday 30	138¾	137⅞	138¾	138
Monday	11	138⅞	138¾	139	138⅞					
Tuesday	12	139⅛	139	139⅜	139	Oct. ...1867	140¾	137⅞	141⅛	138
Wednesday	13	139½	139⅛	140¼	140	" 1866	146⅜	138⅜	148¾	141¼
Thursday	14	140¼	139⅞	140⅞	140⅝	" 1865	145¾	145½	148⅞	147⅛
Friday	15	141⅛	140⅞	141⅛	140⅞	" 1864	238½	210	260	230
Saturday	16	140	139⅞	140⅛	139⅞	" 1863	146	143	154	148½
Sunday	17	....	.....	.....	.....	" 1862	129⅜	129	133¼	129
Monday	18	139½	139⅜	140¼	139⅝	" 1861	100	100	100	100
Tuesday	19	139⅛	139⅛	139⅞	139¾					
Wednesday	20	139⅞	139⅝	140	139¾	S'ce Jan. 1, 1867	132⅞	132⅛	146⅜	138

The amount of specie in the banks at the opening and close of the above quarters, months, &c. was as follows:

At Opening	$13,185,222	$8,522,609	$7,768,996	$6,161,164	$13,185,222
At close	8,522,609	7,768,996	9,496 163	16,411,726	16,574,890
Increase at close	$	$........	$1,727,167	$10,250,562	$3,387,668
Decrease at close	4,662 613	753,613	....	....	....

As usual at this period of the year the transactions in foreign exchange have been very moderate. There has been a marked deficiency in the supply of cotton acceptances, and bills of that class have been very difficult of negotiation. The liberal shipments of breadstuffs and provisions have, however, kept the market supplied with bills fully up to the demand, and rates closed a little below the opening figures. The following table shows the course of Foreign Exchange, daily, for the month of November:

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK—NOVEMBER.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	109⅜@109½	516⅛@515⅝	40⅞@41	78½@78¾	35⅞@36	71⅞@72
2	109⅜@109½	516¼@515⅝	40⅞@41	78½@78¾	35⅞@36	71⅞@72
3	....	....	.... ..	.. ....	....	......
4	109⅝@109¾	515 @513¾	41 @41⅛	78¾@79	36 @36⅛	72 @72⅛
5	109⅝@109¾	515 @513¾	41 @41⅛	78¾@79	36 @36⅛	72 @72⅛
6	109⅝@110¾	515 @513¾	41 @41⅛	78¾@79	36 @36⅛	72 @72⅛
7	109⅝@109¾	517½@516¼	41 @41⅛	78¾@79	36 @36⅛	72 @72⅛
8	109½@109¾	517½@516¼	40⅞@41	78¾@78⅞	25⅞@36	71¾@72
9	109¼@109⅜	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72

Days.	London.	Paris.	Amsterdam.	Bremen.	Hamburg.	Berth.
10	....	....	....	....	....	....
11	109 @109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
12	109 @109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
13	109 @109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
14	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
15	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
16	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
17	....	....	....	....	....	....
18	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
19	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
20	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
21	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
22	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
23	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
24	....	....	....	....	....	....
25	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
26	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
27	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
28			Thanksgiving.			
29	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
30	109⅛@109¼	517½@516¼	40⅞@41	78¾@78⅞	35⅞@36	71¾@72
Nov	109 @109⅜	517½@513¾	40⅞@41⅛	78½@79	35⅞@36⅛	71¾@72⅛
Oct	108⅝@109⅛	521¼@515	40¾@41⅛	78⅜@79	35¾@36¼	71⅝@72
Sep	109 @110	521¼@515	40½@41¼	78⅛@78⅞	35¾@36¼	71½@72⅛
Aug	109¼@110⅛	518¾@512½	40⅝@41⅜	78 @79¼	35¾ a 36⅛	71½@72⅛
J'ly	109¾@110⅜	517½@511¼	40¾@41⅜	78 @79¼	36 @36½	71½@72½
Jun	109¾@110⅛	518¾@511¼	40¾@41⅛	78¼@79¾	36 @36⅝	72 @72¾
May	109⅜@110⅛	520 @510	40¾@41⅝	78⅝@80	36 @36⅜	71¾@72¾
Apr	108¾@10[illegible]⅞	522½@512⅛	40¾@41½	78⅞@79⅛	35⅞@36⅜	71¾@72⅛
Mar	108 @109¼	525 @515	40¾@41½	78 @79⅛	35⅞@36⅜	71½@72⅛
Feb	108⅜@109	522½@515	40¾@41½	78½@79¼	36 @36½	71½@72⅜
Jan	108⅝@109½	520 @513¾	41⅛@41⅝	78½@79¼	36⅛@36¾	72 @72¾
Since Jan 1	108 @110½	525 @510	40½@41⅝	78 @80	35¾@36¾	71½@72¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
January 5	$257,852,460	12,794,892	32,762,779	202,533,564	65,026,121	486,987,787
January 12	258,935,488	14,613,477	32,825,103	202,517,608	63,246,370	605,132,006
January 19	255,032,223	15,365,207	32,854,928	201,500,115	63,235,386	520,040,028
January 26	251,674,803	16,014,007	32,957,198	197,952,076	63,426,559	568,822,864
February 2	251,264,355	16,332,98	32,995,347	200,511,596	65,944,541	512,407,258
February 9	250,268,825	16,157,257	32,777, 00	198,241,835	67,628,992	508,825,532
Febru'ry16	253,131,328	14,79 ,626	32,956,309	196,072,292	64,642,940	455,833,829
Febru'ry23	257,823,994	13,513,456	33,006,141	198,420,347	63,153,895	443,574,086
March 2	26 ,156,436	11,579,381	33,294,433	198,018,914	63,014,195	46 ,534,539
March 9	262,1 1 458	10,868,182	33,409,811	200,2 3,527	64,523,440	544,173,256
March 16	263 0 2,972	9,968,722	33,4 9,685	197,958,804	62,813,039	496,558, 19
March 23	259,400,315	9, 43,913	33,519,401	19 ,375,615	60,904,958	472, 02,378
March 30	255, 82,364	8,522,6 9	33,669,195	188,48 ,250	62,459,811	459,850,602
April 6	254,470,027	8,138,813	33,774,573	183,861,269	59,021,775	531,835,184
April 13	250,102,178	8,856,229	33,702,047	182,861,236	60,202,515	525,933,462
April 20	247,561,731	7,622,535	33,648,571	184,090,256	64,096,916	447,814,375
April 27	247,737,381	7,404,304	33,601,285	187,674 341	67,920,351	446,484,422
May 4	250,872,558	9,902,177	33,571,747	195,721,072	70,587,407	559,860,118
May 11	253,682,829	14,95 ,590	33,595,869	200,342,832	67,996,639	524,319,769
May 18	257,961,874	15,567,252	33,63 ,301	201,436,854	63,828,501	503,675,796
May 25	256,091,805	14,083,667	33,697,252	193,673,345	60,562,440	431,732,622
June 1	252,791,514	14,617,070	33,747,039	190,386,143	58,459,827	442,675,585
June 8	250,477,298	15,699,038	33,719,088	184,730,335	55,923,1 7	461,734,216
June 15	246,228,465	12,656,289	33,707,199	180,317,763	57,924,294	460,968,602
June 22	243,640,477	9,399,585	33,633,171	179,477,170	62,816,192	442,440,804
June 29	242,547,954	7,768,996	33,542,560	186,213,257	70,174,755	493,944,356
July 6	246,361,237	10,853,171	33,669,397	191,524,312	71,196,472	494,081,990
July 13	247,913,009	12,715,404	33,653,869	197,872,083	72,495,708	521,259,463
July 20	249,580,255	11,197,700	33,574,943	199,435,952	73,441,301	491,830,952
July 27	251,243,830	8 73 ,094	33,596,859	200,608 886	74,605,840	481 097,226
August 3	254,940,016	6,461,949	33, 59,117	201,153,754	75,098,762	468,021,746
August 10	253,427,340	5,311,997	33,565,378	199,408,705	76,047,431	499,868,085
August 17	253,232,411	5,920,557	33,669,757	194,046,591	69,473,793	414,289,517

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
August 24.....	250,697,679	6,028,535	33,736,249	188,744,101	64,960,030	421,496,637
August 31.....	247,877,663	7,271,595	33,715,128	190,892,315	67,932,[illegible]71	385,591,548
September 7..	250,224,560	7,967,619	33,708,172	195,182,114	69,657,445	441,707,385
September 14..	254,160,587	8,184,946	34,015,228	193,086,775	55,176,903	514,088,7[illegible]3
September 21..	254,794,067	8,617,498	34,056,442	185,603,939	57,709,335	592,142,360
September 28..	251,918,751	9,496,163	34,147,269	181,489,410	55,991,526	600,688,710
October 5 ...	247,934,369	9,368,603	34,025,521	178,447,422	56,853,585	570,187,624
October 12...	247,833,133	9,603,771	36,006,541	177,135,634	56,114,922	585,5[illegible]2,270
October 19....	247,553,911	7,319,010	34,057,440	173,438,375	54,3 5,832	588,162,707
October 26....	246,810,718	6,161,164	33,959,080	173,064,128	56,881,9[illegible]3	511,792,657
November 2...	247,227,488	8,974,535	34,037,076	178,209,724	57,396,067	481,356,278
November 9...	247,719,175	12,816,984	34,069,903	177,849,809	55,540,883	515,391,950
November 16..	248,439,814	13,734,964	34,184,366	177,742,853	54,329,650	495,217,123
November 23..	249,343,649	15,499,110	34,129,911	174,721,683	51,121,911	580,005,807
November 30..	247,815,509	16,512,890	24,080,792	175,686,233	52,098,132	432,724,259

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 5	$20,209,064	52,312,317	908,663	10,388,820	41,308,327
January 12	20,006,255	52,528,491	903,320	10,380,577	41,023,421
January 19	19,448,099	53,45[illegible] 307	877,548	10,381,595	30,048,645
January 26	19,363,374	52,168,473	880,582	10,384,683	39,001,779
February 2	19,269,128	55,35 ,130	871,564	10,430,8[illegible]8	39,592,712
February 9	19,659,250	52,384,329	873,614	10,449,982	39,81[illegible],595
Febru'ry16	18,892,747	52,573,130	867,110	10,522,972	40,050,717
Febru'ry23	17,837,598	52,394,721	841,223	10,566,434	38,646,013
March 2	18,150,657	51,979,173	816,843	10,5 1,600	39,367,368
March 9	17,521,705	51,851,463	832,[illegible]55	10,572,068	37,314,672
March 16	16,955,6 3	50,5 8,294	858,022	10,580,911	3 ,826,001
March 23	16,071,780	50,572,490	807,4 3	10,611,987	34,5[illegible]1,545
March 30	15,856,948	50,880,306	602,148	10,631,532	34,150,285
April 6	15,882,745	50,998,231	[illegible]64,719	10,651,615	38,796,595
April 13	16,188,407	51,283,776	546,625	10,645,367	34,827,683
April 20	16,582,296	51,611,44[illegible]	485,535	10,647,234	35,820,580
April 27	16,737,901	51,890,959	382,817	10,638,021	36,234,870
May 4	17,196,558	53,054,267	386,053	10,639,695	37,371,064
May 11	17,278,919	53,474,388	408,762	10,627,953	38,172,169
May 18	16,770,491	53,826,320	402,978	10,630,831	38,230,833
May 25	16,019,180	53,536,170	369,133	10,635,520	37,778,783
June 1	16,881,109	52,747,308	334,393	10,637,432	37,332,144
June 8	16,880,720	53,158,124	346,615	10,642,920	37,252,614
June 15	16,300,010	53,192,049	368,261	10,046,298	37,174,269
June 22	15,964,424	52,968,441	373,308	10,642,224	37,333,279
June 29	16,105, 61	52,588,963	365,187	10,641,311	36,616,847
July 6	16,022,675	52,420,272	461,951	10,640,201	37,077,456
July 13	16,234,914	52,802,352	419,399	10,641,770	37,885,226
July 20	16,608,860	53,150,569	371,744	10,637,651	38,170,418
July 27	16,862,112	53,104,475	333,118	10,633,750	37,[illegible]29,649
August 3	16,733,198	53,427,840	302,055	10,635,925	38,094,543
August 10	15,909,195	53,117,569	304,979	10,627,761	36,861,477
August 17	15,767,146	53,549,449	317,389	10,628,310	36,364,835
August 24	16,682,816	53,399,090	314,242	10,628,324	36,459,831
August 31	15,717,909	53,734,687	307,658	10,626,356	35,323,355
September 7	16,249,658	53,776,452	279,714	10,628,794	36,458,539
September 14	16,060,733	53,792,203	252,691	10,632,737	36,263,347
September 21	15,845,482	53,540,501	228,528	10,628,744	[illegible]5,327,208
September 28	15,513,794	53,655,569	272,585	10,629,976	35,152,605
October 5	15,557,404	53,041,100	258,303	10,627,921	36,494,213
October 1[illegible]	15,027,418	52,9[illegible]7,[illegible]57	246,714	10,628,396	34,343,942
October 19	14,947,002	53,020,283	237,125	10,635,015	34,336,604
October 26	14,947,184	52,57 ,552	215,746	10,634,907	33,53[illegible],405
November 2	15,0 9,854	52,5[illegible]4,077	2[illegible]3,590	10,640,820	33,604, 01
November 9	14,709,022	52,236,923	280,834	10,646,512	33,948,076
November 16	14,654,008	51,914,013	228,043	10,640,998	33,929,730
November 22	15,299,173	51,159,439	222,324	10,663,298	34,019,268
November 30	15,785,820	51,213,435	216,071	10,646,819	34,817,985

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, $41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 7	$97,009,342	1,183,451	17,033,387	40,824,618	24,580,367	312,664
January 14	98 4[illegible]1,778	1,334,300	16,829,[illegible]5	40,246,216	24,997,446	311,749
January 21	95,298,982	1,078,160	16,59[illegible],[illegible]99	38,679,604	24,275,162	301,911
January 28	97,891,329	1,058,329	16,816,481	39,219,241	24,716,597	302,298
February 4	97,742,461	956,569	16,394,604	39,708,053	24,691,075	306,014
Febru'ry 11	97,264,162	873,296	1 ,103,479	39,474,359	24,686,663	305,603
Febru'ry18	96,949,473	929,940	15,398,338	38,900,5 0	24,765,420	305,60[illegible]
Febru'ry25	95,33 ,900	779,402	15,741,046	37,898,963	24,953,605	303,228
March 4	95,050,727	958,887	15,928,103	38,316,573	24,675,767	301,420